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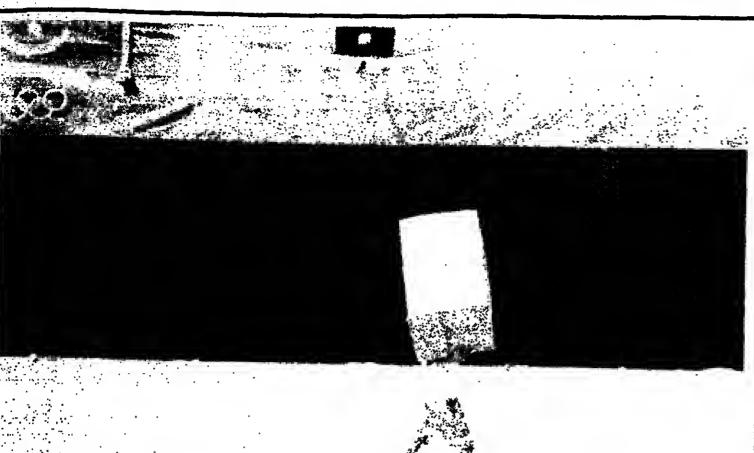
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PARIS, FRIDAY, JULY 24, 1992



A worker at Olympic Stadium in Barcelona, where final preparations were under way for the opening ceremonies of the '92 Games on Saturday.

For Time Off From the Olympics, a Leisure Guide

No one can sit through two weeks of will have to take time out during the well, costs a lot, snacks incessantly, during the Games appears oo Page 9, in sleeps seldom, and dances until dawn.

Leisure. For those who have oot had the sleeps seldom, and dances until dawn. Olympic events without some kind of a Games to see a bit of Barcelona.

What they will find is a 2,000-year-old

Gloss Is Off at Euro Disney

As Park Predicts a Loss

Even the most die-hard sports fans city that works hard, eats late, drinks well as to cultural sights in Barcelona Pages 16-17.

sleeps seldom, and dances until dawn.

A guide to some of those activities as their fill of sports, though, coverage is on

Quayle's Wife Corrects His Lapse on Abortion

By Ruth Marcus Washington Post Service

WASHINGTON - Vice President Dan Quayle moved quickly Thursday to reaffirm his opposition to abortion after saying on a television show that he would support his daughter if, as a grown woman, she chose to have one. His wife put her foot down.

The incident occurred as Mr. Quayle was defending himself against mounting rumors that President George Bush would drop him from the Republican ticket at next month's nominating convention.

"I hope I never do have to deal with it," Mr. Quayle said of the abortion issue in an interview on CNN's "Larry King Live." "But obviously I would counsel her

If his daughter wanted to terminate the pregnancy, he said. "I'd support my daughter. I'd hope that she

wouldn't make that decision." The vice president's wife, Marilyn, was asked about his remarks during a radio interview in Iowa. Referring to the couple's 13-year-old daughter, Corinne, she said "If she becomes pregnant, she'll take the child to term."

> By Roger Cohen New York Times Service

that its elaborate theme park had not per-

formed as strongly as expected, announced Thursday that it would incur a net loss of

unpredictable magnitude in its first financial

At the time of the April opening of the park, which stands on a 1,900-hectare (4,800-acre)

sine 30 kilometers (20 miles) east of Paris, Euro

Disney officials said they expected to make a

small profit for the financial year ending Sept.

30. But since then the park has been hit by a

"We were geared up for a very high level of operations," the company's chief financial officer, John Foregren, said in a telephone inter-

view. "It has been very strong, but not as strong

"While attendance is very strong," he said,

"our cost levels do require adjustment for the current revenue level."

In Burbank, California, Walt Disney Co. said

Thorsday that its earnings rose 33 percent in the quarter. But it warned investors against

expecting profits soon from Euro Disney, of

Euro Disney said that although attendance

number of problems.

as we geared up for.

which it owns 49 percent.

PARIS — Euro Disney SCA, acknowledging

Asked who would make that decision, Marilyn Quayle said: "We will make it with her." Campaigning in Indiana later Thursday, Mr. Quayle

said his comments reflected "no change at all" in his long-standing opposition to abortion.

"I was asked a bypothetical question about my

Bush's attacks on Chinton may backfire. Page 3.

daughter," he said. "I said that I would counsel her and encourage her not to have an abortion, but I would support my daughter."
"We are pro-life," he said. "We are opposed to abortion."

A Quayle spokesman, Jeff Nesbit, said the vice pregnancy even if she were faced with the decision as a

Mr. Quayle took that position during the 1988 campaign, telling a young reporter for the "Children's Express" television show that he would not recommend

she get an abortion if she were the victim of incest. During the King show, Mr. Quayle also attempted to quasb speculation that Mr. Bush would replace him.

"If I thought for one moment that I was burting

George Bush or by me staying on the ticket it would hurt the president's chances for getting re-elected, I'd get out," Mr. Quayle said.

He said he had had "a number of discussions" with the president, and added, "Believe me, if I thought that I was hurting the ticket, I'd be gone."

He did not specify what the nature of the discussions was, but in the context it appeared that it had to do with the campaign, and his role in it.

Mr. Bush himself on Wednesday dismissed Mr. Quayle's ouster as the samplet or "crazy rumors." He said the vice president's place on the ticket was "very

Mr. Bush's drop in the polls and the surge of the temocratic ticket of Bill Clinton and Al Gore have prompted some Republicans to discuss Mr. Quayle's removal from the ticket. His public standing is low. according to polls, but conservatives regard him as their man in the White House.

"The problem with this administration is not Dan Quayle," said William Bennett, a conservative who was Mr. Bush's drug policy director. "It's a lack of definition of what the administration is about, what it is for

See OUAYLE, Page 3

Saddam's Taunts Put Bush 'in Bind' Military Reprisal or Not, **President Risks Criticism**

By Jack Nelson and Robin Wright Los Angeles Tunes Service

WASHINGTON - President George Bush is caught in a political dilemma as he ponders whether to respond militarily to President Saddam Hussein's defiance of the UN cease-fire resolutions that end-

ed the Gulf War.
Using force might create a public perception that the president, who is suffering from his lowest-ever ratings in opinion polls, was taking the action to improve his chances of being re-elected in November.

But failure to respond forcefully to continued Iraqi violations could damage U.S. credibility abroad, further erode Mr. Bush's standing as a leader and leave in power a tyrant who some White House officials say is manipulating the crisis to exploit Mr. Bush's vulnerability in an election year.

The president is "in a real hind," a foreign policy official said. "It doesn't make any difference whether he's right or wrong in what he does," the official added. "If he orders military action, his political

us to war to save his presidency. If he doesn't, Saddam Hussein stays in power, defying the UN conditions and thumbing his oose at us." Adding to the complications for Mr. Bush is a growing body of evidence, contained in secret intelligence reports and other docu-

NEWS ANALYSIS

ments that have come to light in recent mooths, that Mr. Bush lavished U.S. aid on Iraq before the Gulf War, despite repeated warnings about Mr. Saddam's thirst for cooventional and even ouclear

In effect, these documents have shown, the unsuccessful effort to woo Mr. Saddam with financial aid and military technology helped create the war machine that triggered the Gulf War.

Any resumption of the conflict with Iraq could underscore in voters' minds the shortcomings of Mr. Bush's policy up to now.

On Wednesday, for example, the See BUSH, Page 3

Lax Bonn Oiled Iraq War Machine

By R. Jeffrey Smith and Marc Fisher Washington Post Service

BONN - In the late 1980s, German export officials noted that Iraq's state-run industrial complex was hungry for gas bottles, lampposts and milk separators, and they approved exports of metal presses and other equipment necessary to produce them.

At the time, Iraq was a country that Germany and other Western nations had reason to be worried about. But what harm was there in gas bottles, lampposts and milk separators?

The question was woefully naive. Iraq occded the German-designed metal presses not to make milk separators but to produce missile combustion chambers and equip plants that were churning ont, among other things, uranium centrifuges for

making nuclear weapons. In the aftermath of the Gulf War against Iraq last year, inspectors from the United Nations and German prosecutors are learning just how easily German companies circumvented their country's weak export-control mechanisms to sell Iraq the technology, parts and advice it needed for ouclear, missile, poison-gas and germ-weapon pro-

What they have discovered is that a laissez-faire official attitude, bolstered by a desire for export-

Threats won't gain the UN access to key buildings, Foreign Minister Tariq Aziz says. Page 2.

related profits, allowed German companies to supply Iraq an esti-mated \$198 million of so-called dual-use items from 1986 to 1990. These are products that theoretically had civilian uses but, according to German prosecutors, were often

clearly meant for military use. Companies in other countries, including Switzerland, Britain, France, Italy and the United States, contributed to the buildup of President Saddam Hussein's military machine, and German companies sold oo armaments

See IRAQ, Page 2

LAM !

Kiosk

Official of Anti-Arafat Group Slain BEIRUT (Reuters) - Gunnen assassinated a top official of the

Fatah Revolutionary Council here Thursday in the latest killing in a Palestinian power struggle.

A council spokesman said men in a speeding car killed Walid Khaled, 41, with bursts from a submachine gun as be was driving ocar the Mar Elias refugee camp. The council, which broke from Yasser Arafat's mainstream El Fatah in 1973, said the chief of the Palestine Liberation Front collaborated with Mr. Khaled's killers, whom it said

Sabri Banna, bester known as Abu Nidal. The killing was the latest in a string of assassinations that security sources said were the result of an inter-Palestinian power struggle between the council and El Fatah for control in Lebanon.

were linked to Mossad, the Israeli secret service. The council is led by

4 Bombs Kock Lima Amid Strike

LIMA (Reuters) - At least four bombs exploded Thursday in Lima, wounding dozens of people, as Maoist guerrillas sought to enforce their call for a general strike.

General News

Ministers will testify in French Spain raised an interest rate to AIDS trial. Page 2. Colombia's president barred the extradition of drug dealers, despite the prison escape of a Medellin drug lord.

A panel of U.S. experts on foreign policy warned that the country has no clear vision for dealing with a 21st century world Page 2

Business/Finance

defend its currency. Page 13.

The Dollar Page 4. Dow Close DM 1.482 Pound 1.916 Yen 126,85



EMOTIONAL MOMENT - President Fidel V. Ramos after his putt missed Thursday. He was playing with ASEAN foreign ministers, who were in Manila for talks. Page 4.

Baker Makes Surprise Visit To Lebanon For Talks

He Presses for a Syrian Pullout and Revival of **Mideast Negotiations**

By John M. Goshko

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Washington Post Service
JIDDA, Saudi Arabia — Secretary of State
James A. Baker 3d made a heavily guarded surprise visit to Lebanon on Thursday in a show of support for President Elias Hrawi's efforts to re-establish Lebanese independence and induce Syria to withdraw its troops.

He was the most senior U.S. visitor to Leba-ooo sioce October 1983, when a terrorist driving a truck-bomb crashed into a U.S. Marine arracks, killing 24! Americans.

Mr. Baker's trip was kept secret until the moment of his departure from Syria, where he met Wednesday with President Hafez Assad.

The State Department spokeswoman, Margaret D. Tutwiler, said Mr. Baker made the trip

because Lebanoo "is an important party in the Middle East peace process." Also, she said, the

Israel freezes work on future settlements, but will finish bousing in progress. Page 2.

Busb administration wants to encourage the Hrawi government's "determination to re-establish its independence and sovereignty and

restore control over its territory."

At a meeting in Mr. Hraw's home in the Bekaa town of Zahle, Mr. Baker reiterated that the United States supported, "in letter and spirit," an agreement reached at Taif, Saudi Arabia, in October 1989.

In particular, he said, Washington agrees with Mr. Hrawi's cootention that the Taif accord called for Syria, which has about 40,000 troops in Lebanon, to move them from Beirut and its suburbs to the Bekaa area as a first step toward eventual withdrawal of foreign forces

The Taif agreement, mediated by the Arab cague, was aimed at ending the political and religious civil wars that had turned Lebanon

into a no-man's-land for 15 years.

During the 1980s, the lighting spawned several radical Islamic groups, most of them under the influence of Iran or Syria, that made a major business of abducting foreigners and holding them hostage.

The last in a long line of American hostages -Terry A. Anderson, a correspondent for The Associated Press - was released last year. But Americans and Europeans continue to give

Lebanon a wide berth. George P. Shultz, then secretary of state, visited Lebanon in 1983 in an attempt to medi-ate Lebanon's disputes with Israel and to end

terrorist attacks against U.S. Marines then deployed in Beirut. Mr. Baker, who spent considerable time during his four years at the State Department seeking the release of American bostages, re-

called that era when he told President Hrawi: "I never felt that I would be coming to the Bekaa Valley, having been in the United States gov-. ernment for the past 12 years."

He left the Syrian capital in the morning in a motorcade of four lightly armored cars guarded

by Syrian security forces for the trip to the Lebanese border. At the frootier, Mr. Baker and his entourage

transferred to limousines with heavy armor plating and continued under Lebanese guard to Before going to Lebanon, Mr. Baker and the

Syrian foreign minister, Farouk Shara, held a news conference in Damascus to discuss the secretary's efforts to move the Middle East peace process into high gear. Syria is the most intractable of the countries engaged with Israel in the peace talks, insisting

that there can be no progress until Israel agrees to give up the Golan Heights, captured from Syria in the 1967 Middle East war. Mr. Baker has urged the oew Israeli prime minister, Yitzhak Rabin, to make a gesture toward Syria, and Mr. Rabin reportedly will

offer to discuss a partial withdrawal. In response to Mr. Baker's assertion that the signals he has received on his six-nation Mideast tour are positive, Mr. Shara said be was hopeful that the oew Israeli government would

prove a flexible oegotiating partner. But when asked what gesture Syria might make, Mr. Shara said the Arab countries had

done enough by agreeing to negotiate.
"Don't ask the Arab side to make any further gestures," he said. "It is the turn of the Israeli side to make radical new proposals such as a

total freeze on illegal settlements that perpetuate the occupation of Arab lands." Thursday night, Mr. Baker flew to Sandi

Arabia to conclude his tour by conferring with King Fahd. He will go on to Manila to take part in the annual meeting of foreign ministers of the Association of South East Asian Nations.

In a War of Computer Gangs, Young Hackers Go Beyond Pranks to Serious Crime

By Mary B. W. Tabor and Anthony Ramirez

New York Times Service NEW YORK — Late into the night, in working class neighborhoods around New York, young men with code names like Acid Phreak and Outlaw sat hunched before their glowing computer screens, exchanging elec-tronic keys to complex data-processing systronic keys to complex data-processing sys-tems. They called themselves the Masters of Deception. Their mission: to prove their prowess in the shadowy computer underworld.

Compulsive and competitive, they played out a cybernetic version of "West Side Story," trading boasts, tapping into telephone systems, even pulling up confidential credit reports to prove their derring-do and to taunt other back-

Their frequent target was the Legion of Doom, a hacker group named after a gang of comic-book villains. The rivalry seemed to er services without paying for them; and to goes by the name Corrupt. take on class and ethnic overtones, too, as the obtain passwords, account numbers and other

diverse New York group defied the traditional image of the young suburban computer whiz.
But federal prosecutors say the members of MOD, as the group called itself, went far

levels had been high, "the company anticipates that it will incur a net loss for the fiscal year

It added that "the magnitude of the loss will

depend on attendance and hotel-occupancy

rates achieved during the remainder of the

The announcement amounted to an extraor-

At the time of the opening, on April 12, the

Mr. Forsgren said he thought the market bad

"overreacted a bit emotionally to preliminary information." He added that "by all objective

standards the park is very successful. The long-

term acceptance is strong, the rest is just de-

The company said that 3.6 million people

had visited the park from April 12 to July 22, a

performance it said was superior to that of comparable start-up periods at other Disney

theme parks. But it cautioned that, given the likely strong seasonal fluctuations in atten-

See DISNEY, Page 13

company's shares were trading at 140,90 francs

(\$28,07), and had been as high as 170 francs earlier in the year. They dropped 2.75 percent

dinary turnabout for Euro Disney, which

opened amid immense fanfare and widespread

predictions of immediate success.

Thursday to close at 97.25 francs.

critical European summer vacation period."

ending Sept. 30, 1992."

beyond harmless pranks.
On July 16, five young men identified by prosecutors as MOD members pleaded not gnilty to federal charges including breaking into some of the nation's most powerful com-puters and stealing such confidential data as credit reports, some of which were later sold to private investigators. Prosecutors call it one of the most extensive thefts of computer informa-

The indictment says the men entered the computer systems of Southwestern Bell, TRW Information Services and others "to enhance their image and prestige among other comput-er hackers; to harass and intimidate rival hackers and other people they did not like; to obtain telephone, credit, information and oth-

things of value which they could sell to others."
With modeus that link their terminals to other computers over ordinary telephone lines, hackers have been making mischief for years. But as vast networks of powerful computers become more crucial, and as personal comput-ers become faster and cheaper, the potential for trouble has soared.

At the same time, the world of computer hackers is changing.

Unlike the hackers of old - well-to-do youths who could afford costly equipment—
the Masters of Deception are a polyglot representation of blue-collar New York: black, Hispanic, Greek, Lithuanian and Italian. They often work their mischief using the least expensive computers.

One of them, John Lee, 21, bounced around programs for gifted students before dropping out of high school in his next-to-last year. He

Paul Stira, 22, who uses the code name

Scorpion, was his high school class valedictori-

Julio Fernandez, 18, known as Outlaw, first studied computers in grade school. They met oot on street corners, but via

computer bulletin boards used to swap messages and programs. With nothing to identify them on the boards except their nicknames and uncanny abilities. the young men found the computer to be the

great democratic leveler. Mr. Lee, Mr. Fernandez, Mr. Sura and two others described as MOD members — Mark Abene, 20, known as Phiber Optik, and Elias Ladopoulos, 22, called Acid Phreak - were charged with crimes including computer tampering, computer and wire fraud, illegal wiretapping and conspiracy. They face huge fines and up to five years in prison on each of 11

The Masters of Deception were born in a conflict with the Legion of Doom, which had been formed in 1984 and ultimately included

among its ranks three Texans, one of whom, Kenyon Shulman, is the son of a Houston socialite, Carolyn Farb.

Mr. Abene had been voted into the Legion at one point. But when he began to annoy others in the group with his New York braggadocio and refusal to share information, he was

banished, Legion members said. Meanwhile, a hacker using a computer party line based in Texas had insulted Mr. Lee, who

is black, with a racial epithet.

By 1989, both New Yorkers had turned to a new group, MOD, founded by Mr. Ladopoulos. They vowed to replace their Legion rivals

as the "new clite." But in June 1990, the three Texas-based Legion members — Mr. Shulman, Chris Goggans and Scott Chasin — formed Comsec Data Security, a business intended to help compa-

nies prevent break-ins by other hackers. Worried that the Texans were acting as police informers, the MOD members accused their rivals of defaming them on the network Queens Community College.

bulletin boards. Several members, including Mr. Abene, had become targets of raids by the Secret Service, and MOD members believed the Texans were responsible. The Texans de-

eline to comment on the accusation. The New Yorkers began using the informa-tion they recovered to harass and intimidate

others, according to prosecutors. In recent months, hackers say, the war has calmed down. Comsec went out of business, and several Masters of Deception were left without computers after Secret Service raids. Mr. Abene pleaded guilty last year to misde-meanor charges resulting from the raids.

Mr. Lee says he works part-time as a standup comic and is enrolled at Brooklyn College, where he studies film production.

Mr. Stira is three credits shy of a degree in computer science at Polytechnic University in Brooklyn. Mr. Fernandez hopes to enroll this autumn in the Technical Computer Institute in Manhattan. Mr. Ladopoulos is studying at

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Old Habits Hobble U.S. in a New Age, Panel Says aise gripping American institutions and policymakers just as the United States could be celebrating the collapse of communism, the report says: "Ours is a paradoxical

"There has been no Victory Over Communism Day," the panel wrote. "No confetti, oo strangers kissing in the street. Indeed, it is a long time since America has been so measy about itself and so uncertain of where to go next."

Speaking at a news conference, David R. Gergen, former White House communications director, said the United States was entering the third great policy watershed of.

In the first, after World War I, Americans displayed a "lack of wisdom" that contributed to future conflicts. After World War II, he said, the United States made 'some of the smartest, shrewdest foreign policy moves in

The report, "Changing Our Ways: America and the New World," reflects six months of discussion among Now, he said, Americans risked repeating the folly of the 1920s. "Too little attention is being paid to what kind of world we want," he said.

These are among the report's recommendations: U.S. foreign policy must be built on renewed domestic strength. Rebuilding the U.S. economy should be the highest priority, but oot through protectionism or purely regional trade organizations at the expense of international free trade and competition.

· U.S. world leadership must continue, but with a new

emphasis on collective action in support of peace, democracy and open trade. • NATO should be associated with the Conference on Security and Cooperation in Europe, thus abandoning a "NATO or nothing" approach.

 Germany and Japan should become permanent mem-bers of the United Nations Security Council, acknowledging their preeminent roles in economic and political affairs while also having them pay a larger share of international operations.

• The United States should raise energy taxes for economic, environmental and security reasons.

 The fight against narcotics should focus on reducing demand at home rather than attacking overseas suppliers. The United States should withdraw all forces deployed abroad while strengthening UN peacekeeping

Israel Gives **Backing** to Settlements In Progress By Clyde Haberman New York Times Service JERUSALEM — Israel's new government on Thursday stopped all planned future construction in

By Barbara Crossette

New York Times Service

Congress are failing to meet the complex challenges of the

post-Cold War world, a high-level panel of foreign policy

experts warned that a slide into isoladonism and protec-tionism would be disastrous for the U.S. economy and the

The world is new, but what isn't new is how we are

We see no coherent vision at home or abroad to guide

dealing with it," said Winston Lord, a former ambassador

to China and chairman of the 23-member panel assembled

by the Carnegie Endowment for International Peace.

us into the next century," Mr. Lord said in releasing the

academics, former senior government officials, and heads

of international organizations. The panel hopes to use its

study, which surveys the world broadly and also makes

specific policy recommendations on trade, the environ-

Focusing on what it sees as a nearly inexplicable mal-

ment and population, to touch off debate.

prestige of the United States.

WASHINGTON - Saying that the administration and

apartments and houses in progress would be completed. The freeze affects nearly 6,700 housing units that were planned for the territories but on which work had yet to begin. In more than half the cases, construction contracts were already signed.

the occupied West Bank and Gaza

Strip but said that thousands of

Work was also halted on several West Bank highways defined hy senior officials as "poliocal roads," designed by the former government to help settlers avoid routes along which they face the risk of attacks

But while freezing future huilding, the young government of Prime Minister Yitzhak Rabin decided not to interfere with more than 8,700 units that are now in various stages of construction. Some are little more than a hole in the ground; others are near completion.
Nor did it touch 1,000 other new

apartments plaqued for areas around Jerusalem, which Mr. Rabin, like his predecessor, Yitzhak Shamir, considers an integral part of Israel and not negotiable.

This go-ahead for housing in progress falls well short of Arab demands for a freeze, and in principle it also flies in the face of the Bush administratioo's opposidon to Israel's settlement activity as a major obstacle to peace. But it was not feasible to stop the work in its tracks at this stage, Israeli officials point was that they were shifting national direction on the issue.

In separate interviews, both the new finance minister and the housing minister said their goal was a sharp and swift scaling back of future settlement building. They said this would be reflected in the 1993 hudget proposal that they would

prepare.
"I would say the investment will be negligible in proportion to what was before." Finance Minister Avraham Shohat said.

It is now up to the United States to decide whether the Israeli actions amount to the glass's being half-full or half-empty. Signs suggested that Washington was inclined to welcome the course that has been charted by Mr. Rabin's Labor-led government.

Although the final shape of the deal still has to be pounded out, the administration seems poised to give Israel billions of dollars in U.S. loan guarantees that had been suspended for months because of friction over the settlements issue.

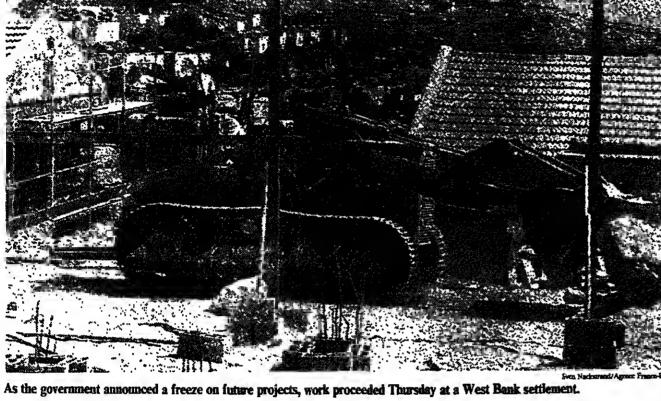
Housing Minister Binyamin Ben-Eliezer said that Mr. Rabin had told Secretary of State James A. Baker 3d about the planned housing restrictions when the secretary visited Israel early this week at the start of a Middle East tour. In Cairo on Wednesday, Mr. Baker pronounced himself "really very satisfied with the philosophy and the orientation" of the Rabin government on settlements. He predicted "a severe and substantial

reduction" in construction.
In the last few days, Palestinian peace negotiators from the territories have also begun to adjust their position on the settlements. They are moving from an unvielding demand for an absolute freeze to an expressed willingness to accept some construction, as long as there are assurances that no U.S. aid ends up financing such activity.

> Havys New York Bar .), ruc Daunou (PARIS OPERA)



tists overcome technical problems. Officials of a German company designed four plants capable of turning out hundreds of tons of deadly poison gases, while at least three other German companies made equipment Iraq needed to fill chemical rockets, bombs and bal-



3 Ministers to Testify in Paris AIDS Trial

International Herald Tribine

PARIS - Former Prime Minister Laurent Fahius and two of his ministers begin testifying Friday in the trial of four senior doctors who allowed hemophiliaes to be treated with products they knew to be contaminated with HIV. the virus that causes AIDS. Lawyers representing more than 1,000 hemo-

philiaes stricken with AIDS are hoping to get the answer to the questions that the country has been asking since the trial began almost a month ago: Did the government, too, know the products were contaminated? If so, why did it do nothing to halt their sale?

The main defendant, Michel Garretta, the former head of the Nadonal Blood Transfusion Service, wrote what has now become an infamous letter June 26, 1985 calling for the "normal distribution of nonheated [blood] products as long as they are in stock."

This was months after the United States. Canada and other countries had begun screening and heating clotting agents for hemophiliacs to eliminate the large risk of HIV infection. The Centers for Disease Control in Atlanta had warned against the use of nonheated products as early as October the previous year.

Dr. Garretta now admits he made an administrative "mistake" in not importing heat-treated blood products, but in a piece of self-justification that has chilled the nation, he said, "I

was not a doctor who cures people." He said the government had been aware of the problem. Everybody knew about it, including me," he told the court. But he added that he had been too weak to confront his superiors.

Many allege that senior officials put money before the lives and safety of citizens. Had France imported heat-treated blood products and screening agents, it would have cost the health service millions of dollars. At the same time, there is evidence that some officials were auxious to help the French Pasteur laboratory. which was racing to develop its own screening process, rather than bring in an American one Mr. Fabius agreed to testify at the request of

the defense and for victims claiming damages.
Georgina Dufoix, minister of social affairs at the time, and Edmond Herve, the former secretary of state for health, also have agreed to Mrs. Dufoix acknowledged that she was "re-

sponsible but not guilty."

None of the ministers faces condemnation other than that of public opinion. Ministers accused of wrongdoing can only be heard by the national's highest court after indictment by parliament.

The case represents one of the most serious accusations made against any French govern-ment since the war: the charge that senior officials put profit and loss before human life.

The four doctors are being tried in a heavily guarded lower court on relatively minor charges. Robert Netter, former director of the National Health Laboratory, and Jacques Roux, former director-general of the Health Ministry, are harged with monassistance to persons in danger, while Dr. Garretta and his former assistant Jean-Pierre Allain are accused of having distributed products they knew to be unsuitable or unsafe for public consumption, a legal charge usually used for "adulterers of mustard and vogurt," as one attorny put it. At least 256 hemophiliaes have died of AIDS-related complications as a result of hav-

ing received contaminated products. Until the case broke, officials lauded the French transfusion system, which relies entirely

on volunteer donations. They called it superior to the commercial system in the United States. But a report on the scandal presented last year by Michel Lucase, the inspector-general

for social affairs, noted that ferocious commercial interests were also at play in France during the critical period between 1984 and 1986, when laboratories were competing to produce screening and blood-treatment methods.

"In my opinion they are murderers," said Joelle Bouchet, the mother of a 16-year-old infected hemophiliae, referring to the doctors and civil servants involved in the case. "They contaminated children week after week. They killed people just to make money."

Scientists Question Danger of **HIV Variant**

By Lawrence K. Altman New York Times Service

AMSTERDAM - Health officials at the international AIDS meeting struggled Thursday to ease public hysteria stemming from reports of a mysterious, rare AIDSlike illness in which no evidence of infection with the AIDS virus can be found.

After intense questioning, the officials said they were partly responsible for the hysteria because they had not communicated well enough to the public and scientific community to avoid what they believe is an unwarranted view that another AIDS virus is on the loose. James Curran, an AIDS official

at the Centers for Disease Control, said his federal agency in Atlanta should have reported the six cases it knew about sooner. On Tuesday, federal health offi-

cials were stimned when a parade of doctors stepped forward at the meeting to describe about 20 cases of the mysterious AIDS-like illness. And in a scientific report Wednesday, California scientists claimed discovery of a possible virus in a woman, 66, with such an illness and in her daughter, 38, who

is healthy. Because the mother had a blood transfusion before her daughter was born, the team headed by Sudhir Gupta of the University of California at Irvine raised the possibility of transmission of the virus

through blood transfusions. Reports of the mysterious illness and discovery of a possible virus have raised concern that those who have tested negative for HIV may be infected with some other virus. People who have had blood transfusions are fearful they may have received tainted blood. Others are fearful of getting a transfusion.

After initially playing down the public health significance of such cases, Dr. Curran said studying them is now "an extremely important priority for the Public Health Service and science."

Any finding, he went on, "needs to be rapidly confirmed by the best investigators around the country. and I think this will be sorted om very quickly." The change in attitude reflects a

genuine concern about the potential health hazard, media attention and conflicting interpretations of the scanty data reported to date.

The World Health Organization said it would soon convene experts to help determine the frequency and geographic location of such cases and whether a similar virus has been found outside the United States, Michael Merson, who heads the global AIDS program, said, We want to get a handle on how big this problem - if it is a problem - really is."

He also said it was "clear to WHO that we need to launch a worldwide follow-up" looking for such reports.

Epidemiologists will review all reported cases and any new ones that may come up for a variety of purposes. One is to determine whether they seem to have the same illness. Another is to determine more precisely the range of symp-toms and course of illness. A third is to identify common risk factors. A fourth is whether there is geographic clustering Officials are waiting for fuller

reports from two other laboratories in New York City where scientists have hints that they might have found a similar virus.

WORLD BRIEFS

ANC Rules Out Early Return to Talks

JOHANNESBURG (AP) - The African National Congress on Thursday ruled out a quick resumption of black-white political talks and called

for a two-day national strike in August.

The ANC announcement made clear that the leading black group. would push ahead with nationwide protests until the government meets demands for steps on ending political violence and building a multiracial democracy. The group that must unlock this deadlock is the government, Cyril Ramaphosa, the ANC secretary-general, told reporters. Last month, the ANC broke off talks with the government of President

Frederik W. de Klerk to protest escalating political violence and the massacre of more than 40 blacks in the Bospatong township, south of

Spanish King Opens Latin Summit MADRID (Reuters) — King Juan Carlos formally welcomed 19 hearts

of state or government on Thursday to the second Ibero-American summit meeting, which will seek explicit accords aimed at improving conditions in Latin America.

The leaders gathered for a reception in the Royal Palace before moving to the Senate to start the two-day meeting, which is the diplomatic peak of Spain's celebration of the 500th anniversary of the discovery of America. by Christopher Columbus.

The representatives of Spain, Portugal and their former colonies have before them draft agreements on political, economic and social cooperation designed to give practical edge to the historical and cultural tier

4 Are Killed in Sarajevo Food Line

SARAJEVO, Bosnia-Herzegovina (Reuters) — Muslims and Scross exchanged morter, artillery and small-arms fire Thursday in sporadic fighting in Sarajevo and in the mixed ethnic territory around the Bosnian

The Sarajevo radio said a mortar round killed four persons and wounded about 20 others at a distribution point for UN-delivered food in the Hrasnica district in southwestern Sarajevo.
In another incident, a car carrying a CNN correspondent, Mark

Dulmage, and a camerawoman, Margaret Moth, came under fire. CNN said that Ms. Moth, who is from New Zealand, was taken to a hospital with serious wounds to the head and neck. Mr. Dulmage was alightly

Hijacker Escapes From Swiss Prison

ORBE, Switzerland (AP) — A Lebanese Muslim extremist, serving a
life sentence for hijacking an Air Afrique airliner and killing a French
passenger in 1987, escaped from prison Thursday. Hussein Hariri escaped with four other convicts from the top security

Bochuz prison after overpowering prison guards, Vaud cantonal police said. One of France's most notorious criminals, Jacques Hyver, fled with Mr. Hariri. The other men were serving lengthy sentences for hostage. taking, assault, arson and other crimes. One was later recaptured. The prison director, Andre Vallotton, said the convicts overpowered guards and temporarily held them hostage. They seized a truck making

deliveries and drove it through the perimeter fence, then commandeered passing car and fled in the direction of Yverdon, a spa town near the

For the Record

The Times of London deputy editor, Peter Stothard, 41, will succeed Simon Jenkins as editor of the newspaper in October, the paper and Doctors removed Pope John Paul II's stitches from intestinal surgery

and said he would be leaving the hospital within a few days. "Little by little he's getting better," said Corrado Manni, the anesthesiologist on the surgical team that removed a colon tumor eight days ago.

TRAVEL UPDATE

The Paris transit authority said it would increase ticket prices by an average 5.8 percent from Aug. 1. The price of a book of 10 tickets, which can be used on either buses or trains within the city and in the nearest suburbs, rose from 34.50 francs (\$6.90) to 36.50.

All Nappon Airways is considering plans to delay the launching of its Tokyo-Frankfurt route and to cut joint services to Vienna, Brussels and Knala Lumpur, it said Thorsday. Earlier this month Japan Airlines, its rival on international routes, said it might suspend flights to Copenhagen and New Delhi and close offices in the two cities.

(AFP)

Germany's Lufthausa, along with Romania's state carrier Tarom SA and Balaciava BV of the Netherlands, is joining with Bucharest's Otopen Airport in a joint venture to modernize the facility. Lufthansa will contribute 25 percent of the capital in the \$2.7 million venture, as well as SELVICES 2 (Reuters) the airport. The main railroad lines between France and Italy were partially

reopened Thursday after workers cleared most of the mud slides, caused by violent storms, that had blocked the tracks since Tuesday. Fewer people were killed in air crashes in the first six months of 1992 than in the same period last year, according to the aviation magazine Flight International. Despite dramatic accidents in Scnegal, near Strashourg, France, and at LaGuardia Airport in New York, the magazine said, the death total of 286 was well below the half-year average of 419

(Reuters) over the past decade. Tens of thousands of Atheus commuters were stranded Thursday when employees of a public bus company began an indefinite strike to protest plans to dismiss more than 1,000 of them. State-controlled electric buses and underground trains serving the capital area were not affected. (AP).

The Weather

will blow toward New York City and Boston late Sun-

Threats Won't Get Access for UN Team, Iraqi Says does won't change the posicion of Iraq." the deputy prime minister an ultimatum to Iraq demanding said. "Iraq will never compromise that the government allow the in-By Paul Lewis

New York Times Service

BAGHDAD - A senior Iraqi official stated categorically Thursday that threats of military action or bombing strikes would never persuade Iraq to allow UN arms inspectors to search the Agriculture Ministry here, or any other ministries or buildings that are "symbols of sovereignty. Such threats do not change

Iraq's position," Deputy Prime Minister Tariq Aziz asserted the day after the UN inspectors ended their 17-day vigil outside the ministry saying the Iraqi authorides were no longer protecting them against ostile demonstrators. [In Paris, Foreign Minister Ro-"Whatever the Security Council land Dumas said that the UN Secuhostile demonstrators.

(Continued from page 1)

more dangerous than pistols and

hunting rifles. But investigators

have found documents and other

physical evidence implicating Ger-

man companies as Iraq's most reli-

able and useful source of the tech-

nology and materials for the

weapons of mass destruction that

would cement Iraq's reputation as

Evidence turned up so far, and

described in a series of unpubli-

cized German, UN and U.S. re-

A half-dozen German compa-

nies sold iraq equipment, such as

a dangerous regional power.

ports, indicates that:

its sovereignty."
[In Washington, the Defense De-

craft carrier and three other warships in the Mediterranean as Iraq continues to defy cease-fire agreements. Reuters reported. [Defense officials refused to say whether the carrier Saratoga, two cruisers and a destroyer had been placed on alert. Later, a Pentagon

tion in Yugoslavia."

Six German companies sup-

phed some of the equipment Iraq

needed to make botulin toxin and

mycotoxin germ weapons, includ-

pathogens, protect workers from

cians to traverse a contaminated

• Sixteen German companies

contracted to supply equipment

used in Iraq's ballistic missile pro-

gram, including turbopumps, rock-

et-motor nozzles, high-pressure air-

intake systems, special welding

components, high-quality steel

rods and pipes, and fuel systems.

Some of the companies knowing-

ly supplied Iraq with the machinery

it needed to make its own missile

combustion chambers and fuel in-

jectors. Others helped redesign and

manufacture Iraq's missile gyro-

scopes, supplied plans for a com-

plete fuel-storage facility and helped create and equip a complete

missile "quality-assurance pro-

battlefield.

spectors to continue their work The Associated Press reported.

The inspectors, sent by the spepartment said the United States cial commission charged by the Se-curity Council with eliminating had canceled port visits for an air-Iraq's weapons of mass destrucdon, were acting on a tip from a Western intelligence agency. Documents related to Iraq's ballistic missile program were reported by

that agency to be hidden there. But Iraq said that allowing the spokesman said that the move had group to make a search would been made because of the "situaamount to a surrender of its sovereignty and would endanger its so-

Mr. Aziz, a lifelong ally of Presi-

tributors for mobile missile launch-

ers, and shipped missile-related

military operations. UN inspectors

on Scud missile pressure lines,

gauges, electrical parts, fuel tanks

Eleven German companies

carned a total of roughly \$50 mil-

tion for equipment and advice used

to extend the range and improve

the accuracy of Scud missiles even-

tually fired at Israel and Saudi Ara-

bia in the Gulf War, according to

It was a "pattern of activities" by

specialized firms that do this kind

of work and have a history of deal-

ings with rogue nations, said a U.S.

official who has tracked the Iraqi

To date, only one German com-

grow in laboratories, concentrate with lighting and other features for ing trial, he said.

and air bottles.

UN documents.

purchasing operation.

ing devices that allow germs to tractors and semitrailers equipped

contamination and allow techni- in Iraq have found German names

regime, said the government had "no objection" to the inspectors' searching buildings that "relate directly or indirectly" to Iraq's program for developing weapons of mass destruction.

These must be eliminated under the Security Council's cease-fire plan known as Resolution 678. They might include "camps, plants, industries, warehouses and instituoons related to fields covered by 687," Mr. Aziz explained.

But he insisted that "buildings like the Ministry of Agriculture or this ministry, the Ministry of Information and Culture, or other build-

violations, 37 others are under in-

vestigation, and several executives

have been arrested and are await-

Much of the information detail-

ing the activities of these compa-

nies is contained in reports that

have been shielded from official

release by the United Nations, Ger-

many and the United States be-

cause of what some authorities say

The documents include a classi-

fied report to the German legisla-

ture on the full range of German-

Iraqi ties, a report to the German

government by the International

a German member of a UN inspec-

are political sensitivities.

Commission on Iraq.

chassis, motors and electrical dis- panies are now on trial for export

Iraq's unbending stance means that it remains in violation of the Security Council cease-fire plan, which gives the special commission

and its inspectors the right to go

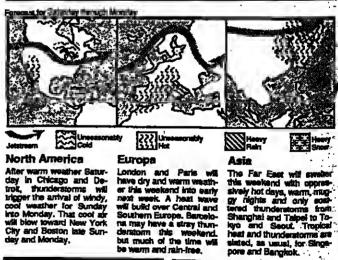
wherever they want in the country. This and several other current disputes between Baghdad and the

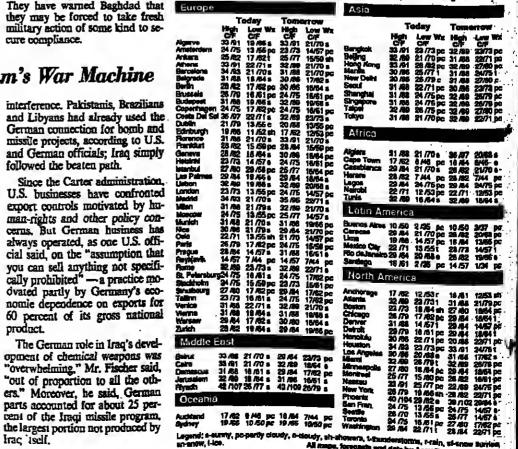
United Nations have angered the United States, Britain and France. They have warned Baghdad that they may be forced to take fresh military action of some kind to secure compliance.

IRAQ: Weak German Export-Control Laws Fueled All Elements of Saddam's War Machine German companies supplied the the German legislature. Four cominterference. Pakistanis, Brazilians

and German officials; Iraq simply followed the beaten path. Since the Carter administration. U.S. businesses have confronted export controls motivated by human-rights and other policy con-cerns. But German husiness has always operated, as one U.S. official said, on the "assumption that you can sell anything not specifi-cally prohibited —a practice modvated partly by Germany's economie dependence on exports for 60 percent of its gross national

Atomic Energy Agency, a report by The German role in Iraq's development of chemical weapons was tion team and a German govern-"overwhelming," Mr. Fischer said, ment report for the UN Special "out of proportion to all the others." Moreover, he said, German parts accounted for about 25 per-Aside from the lure of impressive pany has been convicted of helping technology. Germany offered traq lraq according to Eckhard Fischer, a system designed to protect priastaff expert on export controls for vate businesses from government cent of the Iraqi missile program, the largest portion not produced by





System

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BUSH: Saddam (Continued from page

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CAMPAIGN '92 / ON

* ELECTION NOTES *

A Potato Opportunity: Get the Picture?

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BRIEFS

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NEW ALBANY, Indiana — When Lewis Miller, who farms a modest amount of potatoes in Elizabeth, Indiana, heard that Bill

Clinton and Al Gore were going to come to campaign at a rest stop on Interstate 64, he decided he would go to see them.

He parked his pickup truck in the lot, set up a wooden stool on the asphalt by his rear bumper and sat on it, waiting in the sun. After some time, eight buses arrived along with a great many police and secret-service cars, and a couple of hundred people got out. Quite a few of the people were photographers, and when they saw Mr. Miller's truck, they became excited. In the pickup bed were eight

Mr. Miller's truck, they became excited. In the pickup bed were cagnibushels of yellow Kennebeck potatoes.

To the photographers, the potatoes gleamed like gold in the sun. They all could see the picture: Mr. Clinton standing by the truck, examining a potato and making a clever remark about the spelling abilities of a certain vice president.

With Mr. Miller's permission, Steve Rabinowitz, a campaign aide,

rearranged the bushels of potatoes, fussing about them for several minutes before they were aligned in positions he found suitable for the camera.

When Mr. Gore was led over, he proved a disappointment. He laughed at the scene but declined to pick up a potato.

A few minutes later, Mr. Clinton was led by, and he did much better. He selected a big potato and held it up in the air for 10 Everyone got the shot.

Clinton Cuts Campaign Debt by \$1 Million

WASHINGTON — Bill Clinton was able to pay off some of his campaign debts last month, but he was still nearly \$3 million in debt at the end of June, according to reports received by the Federal Election Commission.

Mr. Clinton told the commission that he had raised \$4.7 million while spending more than \$4 million during June. He finished the month with a deficit of about \$2.9 million, or about \$1 million less than his debts at the end of May.

The report does not substantiate claims by Clinton campaign aides that the Democratic nominee's fund raising picked up in June after the last presidential primaries. In fact, his receipts during June were slightly less than the \$5 million he had raised in May. Although Mr. Clinton's receipts in June exceeded those of Presi-

dent George Bush, who reported raising \$2.5 million, the president continued to report a surplus in his campaign coffers of more than \$8

Mr. Clinton and Mr. Bush each are to receive more than \$55 million in public funds to help finance their general election campaigns.

Republicans Fear Baker May Not Be Enough

WASHINGTON - With the return of James A. Baker 3d to the White House now only a matter of time, a sense of relief among Republicans is mixed with concern that even the savvy secretary of

state cannot right a badly listing Bush re-election campaign.

In the craft of politics, Mr. Baker is a recognized master: an organizer, a leader, a confident able to speak frankly to the president—and speak authoritatively on his behalf. To a White House drifting in indecision, he will fill a long list of voids.

But if the impending shake-up has stirred nostalgia for a 1988-style Bush comeback — when he overcame a 17-point deficit in the polls - officials close to the White House were unusually frank in warning that this time his problems may not be solved simply by bringing Mr. Baker aboard.

What the American people sense is a president who doesn't have

real convictions about the country's concerns," an influential Republican official said. "They want leadership. And that's hard for anyone else to impart."

One Republican operative suggested that Mr. Baker's close bond to Mr. Bush and his service in previous campaigns might help the

Quote-Unquote

Bill Clinton: "Let there be no mistake: If the United Nations decides to use force to ensure Iraqi compliance with the cease-fire agreements, I will support American participation in such action." Governor Carroll Campbell of South Carolina, a national co-chairman of President George Bush's campaign, on reports that Secretary of State James A. Baker 3d will move to the White House to run the Bush re-election effort: "I'm delighted that Jim Baker's coming back. Baker will he back."

Away From the Hustings

• In an uncharacteristically sobering forecast, the Southern California Association of Governments said that about 6 million more people - almost twice the number of Los Angeles residents - are

expected to pour into Southern California by 2010. Secondand tobacco smoke causes cancer in nonamokers and respiratory problems in children, scientific advisers to the Environmental Protection Agency have affirmed.

• The New Jersey Supreme Court struck down the state's kosher food regulations, saying they violate both state and federal constitution on the separation of church and state.

• Navistar International Corp. said it would recall at least 24,000 school buses and possibly as many as 185,000 after government tests showed that the fuel tanks could rupture and ignite in a collision. Justice Arthur Kennedy of the Supreme Court has granted a stay for Tim Roche, a reporter for the Smart (Florida) News, who has been ordered to serve 30 days in jail for refusing to reveal his source

in a child custody case. The widely prescribed sleeping pill Halcion is unsafe and should be bauned in the United States as it has been in at least five countries, the Public Citizen Health Research Group said in a

petition filed with the Food and Drug Administration.

• President George Bush has withdraws the nomination of Donald H. Alexander, whose appointment as ambassador to the Netherlands was being blocked in the Senate because of a disclosure that he

Made a \$100,000 donation to the Republican Party.
 Governor Mario M. Caomo signed a bill making New York the 18th state to ban surrogate parenting for profit. An estimated 40 percent of surrogate parenting deals in the United States are ar-

LAT, Resters, NYT, UPI, WP, AP.

Negative Tack Risky for Bush Swipes at Clinton, True or Not, May Backfire

By Andrew Rosenthal New York Times Service

WASHINGTON - President George Bush has wasted no time attacking the Democratic presiden-tial nominee, accusing Governor Bill Clinton this week of peddling birth-control pills to teenagers without their parents' consent and encouraging children in "haul their parents into court." Marlin Fitzwater, Mr. Bush's

spokesman, accused Mr. Clinton's running mate, Senator Al Gore, of selling out the economy to environ-mentalists and making the United States look bad before the world. Some of what the president and his men have said has some basis in

fact or amounts to a political argument that cannot be proved one way or another. Other charges seem mislcading.
In one case, Mr. Bush appears to

be trying to use old legal writings by Mr. Clinton's wife, Hillary, about the rights of minors, to give voters the impression that Mr. Clinton would encourage children to sue their parents. Mr. Fitzwater said he attacked

Mr. Gore's environmental record because the Democrats were the first to "go negative." But Republicans have been attacking the Democrats all year. And their strategists are counting on such attacks to drag down Mr. Clinton's approval

Political history shows that this approach can be effective and that campaign charges need not be entirely true to burt an opponent.

In 1988, much of Mr. Bush's strategy against Michael S. Duka-kis, then the Democratic nominee, was based on accusations of varying accuracy that were intended to chip away at public trust in his character and patriotism. But politicians from both parties

suggest that Mr. Bush is taking a much bigger risk this time by focusing his campaign on attacks against Mr. Clinton, since polls show that dren and the government." the president's own negative image with voters is very strong.

the economy.

By Edwin Chen

Las Angeles Times Service

States is "on the edge of a severe recession or

depression," Ross Perot orged the nation's

leaders to "get started now" on revitalizing

At the present rate of decline, he declared,

But Mr. Perot, who abruptly ended his

independent quest for the presidency last

week, also expressed optimism that economic

and do it well, we can avoid an economic

view -his first to a newspaper since quitting

"If we have an economic catastrophe, tens

of millions of ordinary people, of the type that signed petitions, will be devastated," he said. "And it'll probably take us 20 years to

He said statistics showed that the country

OUAYLE: A Lapse on Abortion

catastrophe," he said in a wide-ranging inter-

We can do it now; and if we do it carefully

"The American dream is gone."

revitalization can be achieved.

(Continued from page 1) and what it will do for the next four

Added Richard Viguerie, a Re-

publican consultant popular in the

party's conservative wing: "People are not angry at Dan Quayle.

They're angry at George Bush. He has zero credibility."

The vice president told Mr.

King: "I am making a difference. And I will make a difference. And I

look forward in the campaign be-

cause ... I'm convinced I can help

"I'm totally dedicated to the

Anti-abortion activists rallied to

Mr. Quayle's comments "are

the defense of the vice president.

consistent with a pro-life position," said Daria St. Martin, associate ex-

him get re-elected."

president," he added.

DALLAS - Warning that the United

"Bush is in trouble because peo- in Arkansas that receive federal ple don't think he's committed to and state money. Under the prochanging anything," said Repre-sentative Vin Weber, Republican of Minnesota, "He can't fix that just with a negative campaign. It's ant enough."

Some of the things the candidates are saying about each other simply cannot be assessed easily. Mr. Fitzwater, for example, sharply criticized Mr. Gore for going to the Earth Summit in Rin de Janeiro last month and condemning Mr. Bush's refusal to sign a new treaty on endangered animals.

NEWS ANALYSIS

wants to he vice president. Now he tries to talk about economic growth when he spent a week in Rin say-ing. The heck with the economy, sell it nut to the environment.

Clearly, the senator did ant say that Moreover, both candidates say they favor both environmental protection and economic growth. But the White House says that Mr. Gore would bankrupt businesses by imposing costly regulations, while the Clinton camp says that Mr. Bush favors businesses at the expense of the environment.

The administration is so blinded by its big contributors that it can't see that simple truth," said George Stephanopoulos, Mr. Clinton's communications director. Other charges are more specific.

In a speech at the Three Saints Russian Orthodox Church in Gar-field, New Jersey, Mr. Bush said that the presidential election was a choice between himself and "the advocates of the liberal agenda." They want public schools to

hand out birth-control pills and de-vices to teenaged kids," Mr. Bush said, "and they believe it's no business of the parents and that it's strictly a matter between our chil-

The president appeared to be referring to clinics at public schools families, not the courts."

Perot Sees U.S. on Brink of Depression

was already on the edge of "a severe recession or depression or call it what you will."

Mr. Perot said such information will be in

his economic revival plan, "and in a form

where the average citizen can understand

them and react to them," He said the plan

may be ready for release by late next week.

A severe recession or depression, he said, would lead to "what I call the avalanche."

would see the collapse of the nation's banks

and savings and loan institutions far beyond

the ability of federal agencies to salvage.

for by the taxpayers from current taxes, at a

time when buge numbers of people are out of work," he said.

of work, buge numbers of people will lose their homes and all the federally guaranteed

home mortgages will kick in and that will have to be paid for — at a time when people

don't have work and the tax base is deterio-

Furthermore, he said, "You've got federal-

"So all of those salaried jobs will be paid

Then, if buge numbers of people are out

That scenario, as Mr. Perot depicted it,

gram, which Mr. Clinton supports. local school districts can dispe condoms, birth-control pills and spermicidal foam at the clinics. Mr. Stephanopoulos said chil-

dren needed parental consent to use the clinics. He said Mr. Clinton backed the distribution of condoms "to prevent AIDS and to help prevent unwanted teen pregnancie

In the same speech, Mr. Busb said: "They even encourage kids to hire lawyers and haul their parents into court. And I believe kids need mothers and fathers, not 'big brother' bureaucracy,' and the "Gore here is Mr. Sellout America," Mr. Fitzwater said. "Now he bond between the parent and the child is sacred and it is fundamen-

> Responding to that charge, Mr. Stephanopoulos said: "That's spu-rious and specious, because it has nothing to do with Clinton's record or his plans. It's a legal analysis and it's Hillary's legal analysis."

> Mrs. Clinton, who has served as co-chairman of the Children's Delense Fund, said in articles written for legal journals starting in the 1970s that children should be allowed in some circumstances to bring legal action against their parents. She said the longstanding legal principle that adults are presumed "competent" in the eves of a court and that children are not should be re-examined.

> Mr. Stepbanopoulos said this was not intended to "encourage" children to sue their parents, but to give courts some recourse in cases al abuse ar neglect. He provided this citation from an article by Mrs. Clinton, entitled "Children's Rights, a Legal Perspective," published by Columbia University's Tracber's College in 1979;

> "Even among persons in the children's rights movement there is a concern that extending rights to children against their parents is too difficult to control, and in all but the most extreme cases such questions should be resolved by the



Bill Clinton, with his wife, Hillary, addressing supporters on his return to Little Rock, Arkansas.

A Confident Start for Clinton

Democrats Conclude 8-State Tour on a Note of Euphoria

By Gwen Ifill New York Times Service

LITTLE ROCK, Arkansas -The punis enthusiasm that en-gulfed the Clinton-Gore bus caravan halfway across the country has given the campaign a strong shot of optimism as Governor Bill Clinton started a new round of fund raising

Evoking comparisons with Har-

on Thursday,

ly guaranteed pension funds, including Social Security," that are vastly underfunded. In its near-final draft, Mr. Perot's plan is

known to call for a \$700 billion budget deficit

reduction within five years, an annual 10-

cent-a-gallon rise in gasoline taxes in the

same period, higher taxes on alcohol and

tobacco, the elimination of various federal

subsidies, limits ou mortgage interest deduc-

tions for homes costing more than \$200,000, a

10 percent across-the-board cut in adminis-

trative costs of the federal bureaucracy, climi-

nation of the proposed space station, a cut in

the wealthy - which be did not define - and

"All of these things are thinkable." he said.

Our country is not geared to long-term

adding that his plan would take 12 years to

thinking because of the political process. Our

friends in Japan, and I mean that sincerely,

have pointed out [that] they think 10 years

ahead; we think 10 minutes ahead. So we've

got to think 10 to 12 years ahead to straighten all of this out. And we can."

new tax incentives for businesses.

implement

ry S. Truman's whistle-stop tour of 1948, when he, too, began as under-

dog, the Democratic candidates were able to press home a strong message for change on a trek that set off from New York at the end of the party's nominating convention and wound up in St. Louis, Missou-

The trip took the campaign through eight states for rallies both well-planued and aff-the-cuff along superhighways and two-lane rural roads. While the results were occasionally chaotic, they provided the Democrats continuing media coverage after the intensity of the

New York convention. In St. Louis, more than 25,000 office workers, labor unionists and onlookers jammed the streets for blocks around the main public library to give Mr. Clinton and his running mate, Senator Al Gore of

Tennessee, an ecstatic salute. Stripped to his shirtsleeves and drenched in sweat at a humid lunchtime rally, Mr. Clinton gave a rostrum-pounding speech, promising to rescue the American people from a government that he says cares and does too little for average people.

"If you're sick and tired of the way it's been going," he said, "if you want the American people in if you believe your country is still the greatest country in the world, if you think we can compete and win again, if you're tired of being heartbroken when you go home at night and you want a spring in your step and a song in your heart, you give Al Gore and me a chance to bring America

"We'll lift the country up," he said, as the sound of applause ralled dawn the streets and baunced aff dawntawn affice

buildings. "It's time for them to go.
It's time for us to rescue America." Recognizing that pictures often and leave a more lasting impression ickethan words, the Clinton-Gore tick-ray et tried this week to take from the . Bush administration its claim to be pla the party of family values. Standing vayon platforms with their wives, the 10H candidates waved, applanded and s n whipped up the crowd into chants in as film crews hired by the campaign city shot the events for campaign com-

The Arkansas governor was why greeted by a cheerful crowd of several hundred campaign workers and supporters when he returned to Little Rock on Wednesday evening for a welcome rally outside his national beadquarters. "We have just a little over 100

days in this campaign," Mr. Clinton said, before signing dozens of autographs and greeting his home-

"One hundred days of struggle and effort; 100 days of spirit and hope. I want you to know that no matter how tough it gets and how long the days get, we're going to stay to the end, and we're going to ___ win this campaign because of peo-

Frank Greer, one of the campaign's media strategists, said the Democrats did not plan to televise commercials before the Republican National Convention next month unless they are attacked first.

Mr. Greer said, noting the coverage the tour has received. "I don't think

we need to waste money on commercial advertising right now." In Vandalia, Illinois, thousands of people waited for hours Tuesday to see the Democratic candidates. highted candles after they spoke

or the Gores.
In dozens of interviews, people in the crowds this week spoke most

often about the need to elect a candidate whose views they would support on jobs, health care, abortion and crime prevention.

Aides to the Clinton campaign said more joint campaigning was



struggling through economic hard times and convinced that Mr. Bush has led the country down the wrong But tens of thousands of Iracis Democratic vice presidential nomiordering a military strike would do nee, Senator Al Gore of Tennessee, bittle to boost his ratings. But tens of thousands of Iraqis

(Confirmed from page 1)

ranged in the state.

said that Mr. Saddam should un-derstand that "Republicans and Democrats see eye to eye" on forcing him to comply with the cease-

But he also accused Mr. Bush of "playing footsie" with the Iraqi cader before the war.

For its part, the White House believes that Mr. Saddam is acting aggressively because he thinks the election campaign will be an absta-cle to any U.S. military response, a senior official said Wednesday.

"He thinks that he can get away with it because we're involved in a campaign, and we have to disabuse him of that notion," the official said. As a consequence, he added, the administration intends to "ratchet up" its anti-Iraq thetoric in coming days unless the Iraqi leader backs down, as he has done

in some showdowns. But one thing is clear: Any decision to use force now could have far different political consequences than it did the last time. Mr. Bush's stern resistance to Iraq's aggression in the Gulf War won the support of most Americans, regardless of party, and sent his approval ratings to historic highs.

Now, with millions of voters Mr. Bush said that the United path, renewed conflict would inject an explosive new element into the

paign for the Democratic presiden-nial nominee, Governor Bill Clin-ton of Arkansas. Renewal of the that Mr. Bush might order a milifor him to attack the president strikes. without seeming self-serving or even unpatriotic.

Still, Mr. Bush bears most or use political risk. If he does order a strike, he will face a difficult task of some of the glory and poll ratings making the case that Iraq threatens of Operation Desert Storm, which Mr. Bush saw as his greatest for-

"Nobody thinks the United States faces an imminent threat from Iraq," said a former Democratic Party chairman, John C. White "And unless you can show a threat to U.S. security, it will look
political and it will boomerang."

December 1989, when his approval
ratings shot up to 80 percent, and Some U.S. policy analysts, who usually avoid domestic political considerations in their assessments, said that both the campaign and

Iraq make Mr. Bush's political position almost untenable. When Iraq was attacked and

the background of the war with

died in the war and President Saddam survived. After it became clear that he could not he overthrown It also could complicate the cam- easily - and therefore could be an

war would make it more difficult tary response, most likely air Bush has been showing the strain of strikes.

The goals of such action would be to bring down Mr. Saddam or at least force his compliance with the case fire agreement, and to recoup some of the glory and poil ratings of Operation Desert Storm which

eign policy achievement. rallying effect for a president, as they have done twice for Mr. Bush after the invasion of Panama in

soared into the 90s. But with Americans now focusing on domestic problems, the president's approval ratings plummet-Gulf War victory becomes a fading cease-fire terms without provoking driven out of Kuwait early in 1991, memory and Mr. Saddam remains an attack

staunchest supporters believe that "My instincts are that the Demo-

do not reject the people involved."

ports abortion rights but as Arkan-

sas governor signed a bill requiring

parental consent for minors seek-

it reinforces my position that these matters should not be turned back

outlaw abortion

crats would jump all over him and accuse him of taking us to war to save his presidency," said a senior official who is a longtime friend of the president's. The same official said that Mr.

In the past, the administration has counted on the Iraqi leader backing down at the last moment, Military actions usually create a as he did during the longest previous standoff.

U.S. officials still hope that he will back down again, but one official said that Republican strategists are "frenzied" over the possibility ratings shot up to 80 percent, and after the Gulf War in January and that he will not.
U.S. officials believe that Mr. February 1991, when his ratings

Saddam, who is known to monitor Cable News Network, is following the presidential campaign closely and using the information to gauge



Vice President Dan Quayle being prepared for his television appearance on "Larry King Live."

Navy Details Plan for Tighter Ship

By Michael R. Gordon New York Times Service
WASHINGTON — Faced with

a shrinking budget and dogged by a sex abuse scandal, the U.S. Navy among its various branches.

Under the reorganization, the

navy will merge the offices of submarine warfare, surface warfare 31 to 24. and air warfare. It will be headed 6th Fleet, who previously served as the chief of naval operations. the military assistant to Defense Secretary Dick Cheney.

mavy secretary, said the move was intended to end rivalries within the ed into the 30s. As the glory of the County becomes a fading memory and Mr. Saddam remains an attack.

Salvace. We beside the transfer of a because of excessive cost.

In peacoust memory among the fingers of a strong first," he said Wednesday.

Salvace. We beside the transfer of a strong first, he said Wednesday.

The move was intended in part as a protest against was overshadowed by the air force.

tighter, stronger fist.

The changes are also part of a broader plan to shrink the navy's announced a plan to streamline its bureaucracy and to end infighting fleet is cut. The navy aims to reduce Since the way the number of admirals from the current 250 to 216 by 1995 and the number of three-star admirals from its major commands.

The number of headquarters is by Vice Admiral William A. Ow- to be reduced to 1,225 from 1,622, of a convention of the Tailhook ens, the former commander of the said Admiral Frank B. Kelso 2d,

All this comes after a tough two years for the navy. The future of Sean C. O'Keefe, the new acting naval aviation was been thrown into question with Mr. Cheney's decision in January last year to service. "We believe there can be cancel the navy's A-12 attack plane sitions from the travy

begin the process of bringing our After the war, some navy officials warfare fighters together into a contended that the service had hurt itself by failing to maintain sufficiently high-ranking representation at the U.S. Central Command

> Since the war, the air force stole a march on the other services by announcing a plan to consolidate

> Then, the navy was shaken by the sex abuse scandal that grew out Association, a group of retired and active-duty naval aviators, at which 26 women were assaulted last year

in Las Vegas. Last month, the House Appropriations Subcommittee on Defense voted to eliminate 10,000 poadministrative staff. The move was intended in part as a protest against

it's never

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ple like you.'

"It would be icing on the cake,"

and waited more than an hour afterward for a closer glimpse or an opportunity to touch the Clintons

planned. They are also scouting new routes for future bus tours. We hoped it would just send a signal that we were going to run a serious, people-nriented cam-paign," said George Stephanopoulos, the campaign's communica-tions director. Instead, we got a signal back from the American

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lead

Compiled by Our Staff From Dispatches BOGOTA — Colombia will not consider extraditing convicted drug lords to the United States, despite the spectacular prison escape of the leader of the Medellir cocaine ring. Pablo Escobar Gaviria, the counuy's president said.

Mr. Escobar's surrender in June 1991 was the crowning success of President Cesar Gaviria Trujillo's strategy of coaxing major traffickers into custody under a promise of eniency and no extradition.

But the escape of Mr. Escobar and nine associates from a ranchstyle jail near Medellin on Wednesday raised questions about whether Colombia's corruption-prone sys-icm was capable of bolding powerful traffickers and stopping their business — even from behind bars. Authorities are worried that with Mr. Escobar loose the Medellin cartel could unleash a new round of

the 1989 campaign that forced the Mitterrand Office Rebuts Klarsfeld

nied that it was the source of rewarshal Philippe Pétain on Armi-::.ce Day.

Nazi war criminals, reiterated ... at he had learned from the Presidential Palace what he described as Mr. Mitterrand's decision not to take part in a wreath-laying cere-

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government to end extraditions. Mr. Gaviria said that Mr. Escobar vanished after a shoot-out with guards seeking to transfer him and 14 lieutenants to a military prison. He urged Mr. Escobar to surrender, with the enticement that his no-extradition promise still held.

After an attempt to move him, Mr. Escobar was said to have taken two high-ranking government officials and the prison warden hostage. The hostages were freed by soldiers who stormed the prison before dawn, but as many as six persons bave been reported killed. In the confusion, Mr. Escobar, his brother Roberto and some other

Speaking at a press conference after a military assault on the prison, during which Mr. Escobar hid in a tunnel at one point, Mr. Gaviria said that some inmates were in

Mr. Escobar, a billionaire who is accused of exporting hundreds of tons of cocaine to the United States and Europe and killing hundreds of Colombians, had surrendered to

The government decided to tighten security on Mr. Escobar after gathering evidence that he was continuing to run his international drug business from the prison and that he had also ordered a string of killings and kidnappings of rivals who were trying to take control of

In Washington, a senior official of the Justice Department, which dite Mr. Escobar for trial in the United States, said, "It would be a disaster if Escobar were able to

Bolivia's Senate voted to expel American troops participating in anti-drug efforts. The Associated Press reported from La Paz.

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In Altered Landscape, Asian Aides Meet to Seek New Stability By Michael Richardson Manila from the Middle East until Saturday. It will emphasize U.S. commitment International Herald Tribune

MANILA - Until recently, the Asso-

than in openly discussing security prob-

lems that could undermine stability and

rapid growth in the Asia Pacific region.

Ironically, the end of the Cold War has

forced security onto the agenda of

ASEAN by pushing to the fore disputes

that were held in check by East-West

senior officials from the United States,

Japan, the EC. Canada, South Korea,

Australia and New Zealand. Much of

their attention will focus on the changing

Across the region, questions are being

raised about the strength of U.S. military

engagement and the competitive regional

The U.S. delegation is to be led by

Secretary of State James A. Baker 3d,

Czechoslovak Leaders Set

strategic landscape in Asia.

ambitions of China and Japan.

toms union - a free trade zone

with free movement of labor, mon-

ey and capital. Still to be decided is

the question of whether each coun-

Mr. Klaus's Civic Democratic

try will have a separate currency.

Party and Mr. Mediar's Movement

for a Democratic Slovakia also

agreed on further negotiations over

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tain a stable balance of power, officials ciation of South East Asian Nations was said Thursday. more comfortable developing programs But many Asian leaders are concerned that cuts in U.S. defense spending, the for economic and political cooperation U.S. preoccupation with domestic prob-

to keep sufficient forces in Asia to main-

NEWS ANALYSIS

lems and a reassessment of military ties with East Asia following the decline of Soviet military power will lead to a major drawdown of American forces before the end of the decade.

On Friday, ASEAN foreign ministers are to begin three days of talks with Trade disputes with Japan and other East Asian nations, and frictions over human rights and economic issues with China, may also strengthen isolationist sentiments in the United States.

Gareth Evans, the Australian foreign minister, said Thursday on arrival in Manila that a withdrawal of the Soviet military from Asia and a reduction in U.S. forces would mean that "China and Japan will have greater relative authority" although he is not scheduled to arrive in in the region.

He said it was important, therefore, that China and Japan, as well as the United States, be drawn into a security dialogue with other countries in Asia and

the Pacific According to Gerald Segal, a fellow of the International Institute for Strategic Studies in London, "one of the great structural instabilities" of East Asia is that while China is primarily a military power Japan has great economic strength, but is "basically unable to defend itself without U.S. support.

However, Japan could use its modern industrial hase and advanced technology quickly to develop independent military forces with formidable striking power if the United States pulled down its security umbrella or if Japan's vital interests in Asia, such as trade arteries through the South China Sea, were threatened by

That is why Beijing's assertion of sov-ereignty over virtually the whole of the South China Sea is viewed with alarm in Southeast Asia, Japan and the United States. It is also why ASEAN is intensifying efforts to resolve conflicting claims by China and five other Asian nations over the Spratly Islands in the southern

sector of the sea. The main risk, said Mr. Segal, is that "both China and Japan will suspect each other of trying to achieve dominance and that all the other states in East Asia will seek to maneuver around these two gi-

ASEAN - which links Indonesia, Malaysia, the Philippines, Singapore, Thai-land and Brunes — has become the region's major forum for discussing security problems.

On Tuesday and Wednesday, ASEAN foreign ministers met their counterparts from China, Vietnam, Laos and Russia, something that would have been impossible a couple of years ago before the collapse of the Soviet Union and the end of the long Soviet-U.S. struggle for su-

Although three of the ASEAN countries belong to the nonaligned movement, all six governments are non-Communist. For much of the Cold War era, their relations with the Communist states of China, Indochina and the Soviet bloc

ideological differences among countries with different political and economic systems" since the end of the Cold War has helped to reduce tensions in Asia, said Raul S. Mangiapus, the Philippine foreign secretary, shortly before Vietnam and Laos acceded Wednesday to a Treaty of Amity and Cooperation in South East

Asia crafted by ASEAN. The easing of political tensions across much of East Asia, the concentration of China and Vietnam on market-oriented economic growth, and the rapid spread of intraregional trade, investment and tourism have developed a web of common interests and enabled ASEAN to open its doors to former adversaries.

In a gesture that ASEAN officials said was "unprecedented," Qian Qichen, the Chinese foreign minister, offered to begin extensive new contacts with the group and its members on mutual security con-

Mr. Qian said this would improve communication and trust, and "eliminate elements that might lead to insecurity and possible conflict."

On Pétain Issue

anti-government terror similar to

PARIS - The office of Presient François Mitterrand has deports that Mr. Mitterrand would reak with recent tradition and no inger lay a wreath at the tomb of

Serge Klarsfeld, a Jewish bunter

In a statement, Mr. Klarsfeld stressed: "This denial concerns the crigin of the information, not the information itself, It now rests with the president himself to make clear whether or not be intends to lay a wreath in bonor of Petain.

inmates got away.

custody, but not the drug leader.

authorities in exchange for government promises that he would be treated leniently and kept in a plush prison that he belped design on a hilltop in the cool mountains near the headquarters of his drug

his organization. had sought unsuccessfully to extra-(AP, NYT)

■ U.S. Troops Expelled

Terms of Peaceful Division forces. The two parties are the largest in the Federal Assembly and PRAGUE - Leaders of Czecho-

slovakia's two republics said dominate their respective regional parliaments Thursday that they had agreed on a In an initial phase, at least, the peaceful division of the country. two republics would continue shar-The Czech prime minister, Vaing embassies in smaller countries. clay Klaus, and his Slovak countersaid Josef Zieleniec, deputy chairpart, Vladimir Meciar, said they man of the Civic Democratic Party. would ask parliament to pass a constitutional law to dissolve the "Czechoslovakia's international agreements will have to be dis-Czechoslovak federation.

cussed as well," be said. "We'd like the Federal Assembly A slimmed-down, caretaker fedto pass the law by Sept. 30," Mr. eral government led by a Klaus Klaus said, sitting alongside Mr. associate, Jan Strasky, has been Meciar at a news conference in given until Sept. 30 to inventory the Bratislava, the Slovak capital. country's assets and liabilities and The two leaders proposed a cus-

draft a law on how to divide them. The Slovak National Council, the regional parliament, passed a declaration of sovereignty a week ago. It wants self-determination ading to full international status, including membership in the United Nations and the European Com-

Slovakia hopes to adopt a full

China Decries Any U.S. Curbs On Trade Status

Agence France-Presse BELIING - China will not accept any conditions for the renewal of its most-favored-nation trade status with the United States, a Chinese Foreign Ministry spokesman said Thursday.

"Any attempt through legisla-tion to stop granting the MFN status to China, or attach conditions to the granting is absolutely unac-ceptable," said the unidentified spokesman, who was quoted by Xinhna, the official press agency.

He added that the trade status should be seen as "a reciprocal and mutually beneficial arrangement between China and the United States.

The House of Representatives has voted to attach conditions to the renewal of China's status in 1993, including respect for human rights and commitment to nuclear onproliferation.

President George Bush renewed China's starus on June 2.

A Visit to China, but Little Remorse Japanese Emperor's Apologies for War Will Be Minimal

By David E. Sanger

New York Times Service TOKYO - After months of negotiations that resounded with echoes of World War II, Japan and China appear to have struck an agreement that will allow Akihito to become the first Japanese emperor to visit China in modern

But the visit, which is likely to be at the end of October, will proceed with an unwritten understanding that Akihito, the son of the emperor in whose name Japan invaded China more than half a century ago, will issue only minimal and vague apologies for Japan's war-

time actions. For months the prospect of the visit, which has been eagerly sought by both governments, has become

Party have insisted that no visit occur if the emperor is placed in what they regard as the bumiliating position of issuing specific, repeated apologies to his hosts for Japan's

conduct during the war. In China, the government has been reluctant to silence growing demands for reparations from Japan, even though officials there seem eager for the issue to disappear so that it does not impair eco-nomic and diplomatic links between Asia's two most powerful

"It is a very, very delicate issue on both sides," a senior official of the Japanese Foreign Ministry said recently. But I think we are finding a way to go ahead."

An announcement is expected sometime after elections in Japan for the upper house of parliament

stitution, he holds virtually no pobtical power. He has little voice in the question of when he goes to China or what he says there.

Nonetheless, a visit to commemorate the 20th anniversary of the resumption of relations, in 1972,

would abound in symbolism. Because the invasion of China was conducted in the name of Emperor Hirohito, it was always assumed that he could never travel to what Japan once claimed as the heart of the Greater East Asian Co-Prosperity Sphere.

But Hirohito died in 1989, and the arrival of his son in the Chinese capital would be regarded as a crucial turning point in relations, especially at a time when Japan is the biggest provider of foreign aid to

Timing is also significant: Aki-hito has yet to travel to the United States, though he did visit there

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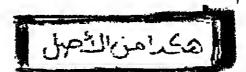
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A UN Force for Somalia

husk of a country on the Horn of Africa. As Jane Perlez of The New York Times reports, a third of Somalia's more than 4.5 million people are likely to starve to death within six months. A third of a country! Small wonder a Red Cross worker exclaimed in despair, "Here is hell."

Worse, this hell is man-made, the result of a clan-based civil war waged hy roving gangs of teenagers. The violence crupted after the overthrow last year of Somalia's longtime strongman, Mohammed Siad Barre, who played on Cold War rivalry to amass a huge arsenal of weapons.

Could more be done to stop the fighting and feed the famished? Absolutely. But, fearing a quagmire, the big Western states have averted their gaze. And, unlike the Ethiopian famine in 1984 and 1985, which also occurred during a civil war, there have been no Live Aid concerts, no chorus of pop stars singing "We Are the World."
Granted, Somalia competes for attention

with the slaughter in Sarajevo, the plight of Iraqi Kurds, the life-threatening droughts elsewhere in Africa, and a global AIDS plague. And diplomats have seized on the particulars of Somalia to justify an inadequate United Nations bumanitarian effort. Somalia has no functioning government.

War, drought, the collapse of civil authority: these are the malign toxins that threaten the very existence of Somalia, a hammed Farrah Aidid. Citing this chaos as a pretext to do little, the Security Council voted to send only 50 unarmed UN military observers to monitor the cease-fire and speed the delivery of food and medicine. This token force was the most the Bush administra-

tion felt it could prudently support.

Some UN officials, Ms. Perlez found, believe that more food could be airlifted into the interior even with this limited presence. Some Americans, notably Senator Nancy Kassebaum, Republican of Kansas, favored sending 500 armed peacekeepers to back up the biggest-ever International Red Cross relief operation.

But Somalia's agony underscores a more basic need: an effective, mobile UN peacemaking force, strong enough to quell the warlords. Secretary-General Butros Butros Ghali has called for the formation of just such a force, consisting of volunteers, available on 48-hour call from UN members. But, with the exception of France, the big Western powers bave shown little interest in his suggestion. And George Bush, the New World president, has said nothing about this proposal, or about So-malia. Meantime, a third of a country inches toward the grave.

- THE NEW YORK TIMES.

So Serbia Carries On

Yugoslavia's war, like most wars, is generating misery and destitution at a staggering rate. Hundreds of thousands of people are now trapped between the fighting and the closed borders of neighboring countries that are reluctant to take in a steadily increasing stream of refugees. Croatia is using machine guns to hold off a tide of desperate Bosnians on its southern border, while ou its northern border it pleads with Slovenia and Austria to take more of the thousands packed onto trains trying to get away. It is becoming clear that creating refugees is not an incidental by-product of this war but rather the main point of it.

The Serbs' purpose is not only to take land but to sweep it clean, by murder or expulsion, of all but their own tribe. The other tribes, in response, are doing some of the same on a smaller scale. It is a war mainly against civilian populations. That point was recently made by Sadako Ogata, the United Nations high commissioner for refugees, who carries the responsibility for both the international relief efforts in Yugoslavia—like the airlift in Sarajevo—and the resettlement of the unlucky people who lived in the wrong places.

There are now about 2.2 million refugees

and homeless people among the former Yu-goslavs, according to the United Nations —

unfortunate, some 400,000, have got out of ex-Yugoslavia, about half of them to Germany and most of the rest to Hungary. Austria and Sweden. Another 1.8 million are still in the Yugoslav lands, mostly in Croatia and Bosnia-Herzegovina, Last spring Mrs. Ogata appealed for a fund of \$140 million to feed and care for these people. So far just about half that much has been raised. (The American and State of Stat can contribution is a meager \$10 million.) Some of the refugees are being sheltered and

fed, and some are dying of neglect.
It is not hard to see where these events are going. The chance of foreign military intervention, the last hope of the Bosnians, is zero. The Serbs, the chief aggressors, are winning. With much more bloodshed and tragedy, they will slowly take the rest of the lands they claim, and eventually the fires will have the rest of the lands they claim, and eventually the fires will burn themselves out. The new Serbia, impoverished and shunned as a pariah by the rest of the world, will then squat sullenly on these territories that it has cleansed, as Serbs say, other ethnicities. By that time all neigh boring countries will have large communities of embittered refugees waiting and working for the opportunity to take revenge. It doesn't sound like a promising beginning for the new Europe of peace and good feelings.

-THE WASHINGTON POST.

Buy Russia's Uranium

Russia has hung a "for sale" sign on the ranium that will be extracted from its U.S. purchases from Russia have been uranium that will be extracted from its dismantled nuclear warheads. Private U.S. companies want to buy some. So do nuclear wannabes. But the proper purchaser of first resort is the U.S. government. It would be money well spent.

Russia could use the hard currency. And taking the material off the market would ensure that it will not be used for bombmaking, by Russia or anyone else.

Russia's warheads contain a high concentration of uranium-235. It can be blended into a less concentrated form suitable for power plants but not for making bombs. International inspectors could oversee the process in both countries to ensure that no

held up by objections from American mining interests, which fear that the bottom would drop out of the world uranium market. The miners' interests can be protected if the United States buys and stockpiles the Russian uranium and then releases it gradually. To withhold it indefinitely, bowever, could gouge consumers who would have to pay more for ntility power.

U.S. purchases of Russia's pranium will keep it out of the hands of potential proliferators. The narrow interests of the uranium miners cannot be allowed to stand in the way of U.S. security.

- THE NEW YORK TIMES.

Campaign Dirt Already

having dared to criticize American — i.e., administration — environmental policy at last month's international conference in Rio de Janeiro. Did be really mean to say "sell out America," as if the senator's behavior had been somehow not quite patriotic? Naw, not Mr. Fitzwater - he wouldn't try for a smear like that. The

poor fellow was misunderstood. Not that it is any better later, of course, but it does seem to us a little early in the campaign for this sort of thing. Are they really that panicky? George Bush and his people have never been at what you might call their most substantive under the pressure of campaigns. They do a lot of namecalling; they are good at the pasting-on of labels. Defining your opponent, it's called. But this time they seem to be breaking even their own past dingy records. It is not a pleasant omen for the fall.

President Bush did a little of it himself ou Tuesday. In a campaign appearance outside a Russian Orthodox church in New Jersey, he rightly distinguished between himself and his opponent on the issue of choice in the schools. He would use public funds to let lower-income students go to private schools; Bill Chinton would not, and would confine any "choice"

plan to the public schools. They want to tighten the monopoly on

The Democratic presidential ticket is scarcely a week old and already the White House spokesman, Marlin Fitzwater, is into Label-land. "They," be said, "want public schools to hand out birth control and devices to teenage kids, and they believe it's no business of the parents" but "strictly a matter between our children and the government. They even encourage kids to hire lawyers and haul their parents into court. And I believe kids need mothers and fathers, not Big Brother bureaucracy." Now there's an issue for the presidential election to be settled on.

Mostly, though, it has been surrogates who bave done the paste-up jobs so far in the campaign. Some of the better work was done on Ross Perot. "A vague, mysterious and authoritarian figure," the Republican National Committee chairman, Richard Bond, called him, who "might violate everything that the constitution of this country stands for and probably incarcerate a

whole lot of innocent people."

The vice president and the drug czar took similar shots, but after that - when Mr. Perot (about whom we, too, had our doubts) quit the campaign and both parties were busily courting his followers, as they are still — the campaign manager, Frederic Malek, went on television to say that Mr. Perot "is a good man, a man of good intentions," and "you have never heard George Bush say anything nasty [or] critical about Ross Perot." History is something you rewrite - sell out - as need be and as you go along.

- THE WASHINGTON POST.

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Editor for Asia: Michael Richardson, 5 Canterbury Rd., Sungapore 0511. Tel-472-7768. The RS56928

Ming, Dir. Asia, Rolf D. Kranepuhl. 50 Gloucester Rd., Hong Kong, Tel. 8610616. Telex: 61170

Ming, Dir. U.K., Garry Thorne, 63 Long Acre, London W.C., Tel. 836-4902. Telex: 262009

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OPINION



Saddam Hussein's Challenge Will Have to Be Met

N EW YORK — Saddam Hussein's defiance of United Nations inspection rights in Iraq has put George Busb out ou the shakiest limb of his presidency. If Mr. Bush does nothing and allows Saddam to get away with violating UN cease-fire terms, be calls his foreign policy leadership into question and mocks his own finest hour, the Gulf War. If he takes military action, be still might not be able to force Saddam into submission and risks charges of playing campaign politics with lives.

charges of playing campaign politics with lives.

President Bush wants to do the right thing. namely, deliver a convincing military blow against Iraq. But he is having an extremely difficult time

If the United Nations cannot meet the test in Iraq, where war was 'won,' it will have no credibility and authority anywhere.

figuring out what blows would be convincing,

gathering allies to participate and gaining support from the Security Council.

He finds himself in one quandary after another. He knows that any force he uses must be consequential, that is, cause serious hardship for Saddam. But if it is big enough to be consequential, it may be too big to garner alfied and UN backing. And if it is small enough to satisfy most allies and the United Nations it is not likely to be allies and the United Nations, it is not likely to be

big enough to be consequential. Saddam is not making Mr. Bush's task easier.

MANILA — The main chal-lenge facing the new adminis-

tration of President Fidel Ramos is

to revive the economy and alleviate poverty. Nearly half of the 63 mil-

lion people of the Philippines live in

subhuman conditions. The six-year

term of Corazon Aquino did much to restore and strengthen democrat-

ic institutions, but such widespread poverty is not a sound foundation

The Ramos government should

muster the nascent forces of a market

comouny to create millions more jobs. It must provide essential infra-structure needed by industry, espe-cially reliable electricity supplies.

and basic social services such as im-

In the last two years the Philip-pines has been hit by declining in-

vestments, double-digit inflation, ris-

ing unemployment and a widening

gap between rich and poor. Some

critics think that the economy is on

But while the situation may ap-pear bleak, the Philippines under the

Ramos presidency stands a zood

chance of recovering the position it

had in the 1950s as one of the most

an irreversible downward slide.

proved nutrition and health care.

for durable democracy.

By Leslie H. Gelb

Last September he stupidly refused UN inspectors entry into an important weapons facility. After a confrontation, be backed down. This time be more cleverly made his stand against the inspectors searching for military documents in the Agriculture Ministry. He probably calculates that he can get away with such a seemingly insignificant slight. And he certainly draws comfort from Mr.

Bush's fall in popularity. What better time to challenge the Gulf War victors?

Or what worse time? For as the presidential elections approach, Mr. Bush simply cannot afford to do nothing. His problem, rather, is to divine the possible and sensible.

His first step was to show Americans a pattern of Iraqi violations on top of Saddam's defiance at the Agriculture Ministry. The State Department did so recently by detailing a continuing pattern of violations: refusing to join Iraq-Kuwait border talks, terrorizing relief workers in northern Iraq, and rejecting UN-mandated plans for paying war

reparations with Iraqi oil exports.

The second step, extracting attack plans from the Pentagon, is turning into a big problem. Pentagon officials and the Joint Chiefs are reluctant to use force and say they cannot come up with targets that promise good odds of forcing Saddam to his inces. But that goal goes beyond sending the necessary tough political message and defines the problem in a way it cannot be solved. It thus argues

for inaction or guarantees failure.

Which is wby step three, getting the allies on

The Philippines Under Ramos Is Set for Recovery

modern and industrialized econo- In the first five months of 1992 the

government posted a budget sur-

plus despite pressures to spend

profligately during an election peri-

od. As a result of fiscal and mone-

tary restraint, the Aquino adminis-tration leaves behind a stable

economy that is attracting more

Although often overlooked by critics, another economic achieve-

ment of the Aquino government

was to dismantle the protectionist

and mercantilistic structures built

up in the preceding 30 years. Bring-ing down tariff rates to levels closer

to those prevailing in other South-

east Asian countries, opening up many more sectors of the economy

to foreign investors and freeing

the foreign exchange market have

forced the country to become more

competitive and outward-looking.

The Philippines is now in a position to follow dynamic neighbors like

Thailand, Indonesia and Malaysia.

stability from rightists in the military and from Communist and Muslim

The waning of threats to political

productive investments.

By Bernardo M. Villegas

board, compounds President Bush's woes. The Sandis will join the attack, but only if it is massive and offers a reasonable chance to break Saddam's will. The British and French will add their bomb-

step four, gaining Security Council support, is proving equally clusive. The Russians are fence-sitting, and no one will bother approaching the Chinese—whose neutrality is once again hoped for — until everyone else is lined up. Other council works here believed and Security Connections.

members have been lukewarm, and Secretary-General Butros Butros Ghali has not tipped his hand.

Another holdup is whether to seek a new council resolution authorizing military action. Some even believe that it is legally required for anything other than a limited attack. The key to breaking this logiam is to focus sharply on the stakes for the United Nations. If the United Nations cannot bend Saddam to its will now, all hope vanishes of establishing this body as a force for peace and peacekeeping. If the United Nations cannot meet the test in Iraq, where war was "won," it will have no credibility and ambority anywhere.

From this prime principle, it follows that the United Nations must act and that its means must be sufficient to its ends. Allied military planners have to see their task not in narrow military terms, or in terms of breaking Saddam's will or deposing him, but strategically — to prove that defying the United Nations comes at a high price. Key allies must agree on military measures necessary to send a message of resolve. The Security Council has to enforce its own resolutions. Anything less would be a disaster for George Bush and the United Nations.

The New York Times.

ery. Investments will initially con-

centrate on projects that are ingently needed to enlarge the generation of power, especially on the two main

Other investments that can be

made productive quickly are in ex-

port-oriented, labor-intensive indus-tries that are not heavily dependent

on electricity. Despite continued brownouts over the next few years

from shortages in the public grid;

these industries can obtain the ener-

gy they need from diesel generators that the private sector is installing.

Major new power plants will be operational by 1995. Then the econ-

omy can start expanding at from 7

qualified and action-oriented cabi-

net. It must apply a coherent eco-nomic strategy that builds on the strengths of the private sector, the

best engine of job creation and sus-

The writer is chief economist at the

Center for Research and Communica-

tion, a private research organization in Manila. He contributed this comment

to the International Herald Tribune.

tainable buman development.

President Ramos has assembled a

to 8 percent a year.

stands, Luzon and Mindanao.

- Manaratic 1 **Tedious:** French and **Americans**

Restart 1

By Flora Lewis

DARIS - The covert French-American war is not over. Like the fighting in Bosnia, it keeps flating after uncounted cease-fires and at times, as UN General Lewis Mackenrie said about Sarajevo, people seem to be shooting at their own side to provoke. He called it "bizarre."

The Paris-Washington conflict is also bizarre, not murderous but damaging to the larger, floundering attempt to get the post-Cold War era on track. It is an insiders' battle, between bureaucrats and their political mentors ou each side. Even as they smipe, both French and American officials call it "childish," "fu-tile," "a failure to understand."

After their last meeting, over dinner at the Munich summit, Presidents Prançois Mitterrand and George Bush made some tactical compromises over plans for NATO, essentially symbolic monitoring of the UN blockade against Serbia in the Adriatic, French plans for a European Court of Concli-ation, and other irritants. They agreed they must not have an ideological war," the French spokesman said, but they only papered over the gap.

The odd part of the persistent friction is that it has little to do with departs of the persistent friction.

domestic affairs, politics, which preoc-cupies both sides. Public opinion is not involved, indeed scarcely aware that governments are feuding, except perhaps on agricultural trade.

The underlying issue is murky, isnally expressed as an American fear

that France wants to break up NATO and drive the Americans out of Enrope, which the French vigorously deny, and a French fear that the United States wants to use lonely super-power status to hold down Prance and Europe, which is not U.S. policy al-though an unfortunate Pentagon paper suggested so last spring. Each side reassures the other, and goes home as spicious as before.

There are historical roots. There is still a reflex, instilled in the Gaullist period, for French officials to define ndependence, influence, France's role in the world by distance from, even opposition to, America. And there is still an American sense that allies must be chivied and goaded into accepting Washington's decisions and advice or the front won't hold.

These are Cold War hangovers, habits of thought not re-examined in light of dramatic changes in the world. And that is not surprising, because there has been no demonstrated ability, in Panis, Washington or any other capital to articulate a coherent sense of how to guide international relations in another age. Mr. Bush speaks of a "new world order," Mr. Mitterrand of a "confederation of Europe," and if either of them knows what it is supposed to mean he hasn't told anybody.

Instead they shadowbox. The Adri-atic operation is an example. After much maneuvering, it was agreed that NATO and the Western European Union would each send ships to different parts of the Adriatic, and the commanders would coordinate. Much attention was paid to whether Germany would send a ship. Since Yugoslavia is outside the NATO area, Bonn's decision to contribute was hailed as a big diplomatic advance over a taboo.

But everybody knows that the ships will do no more than report when they think they have found an embargo-breaker, and even if a blockade were effective it would not stop war in the Balkans. The Americans, who opted out of involvement at first, now chide the Europeans for failure to end fight-ing on their doorstep, which angers European officials both because it is true and because Washington should have known it had to take a stand in the first place. It is not a matter of whether NATO, with the United States, or the WEU, without the United States, commands. It is that nobody

is prepared to do anything effective.
The damage of this diplomatic feud is not just to French-American rela-tions. It blocks the already grossly inadequate effort to develop new concepts and accords needed to face the future. The Russians are affected. They urgently want to belong to some kind of Europe-wide security framework, but the hosts are squabbling over who should issue invitations to what, and they must cool their heels.

It might help if top French and American officials spent a country weekend listening to each other. But a senior French diplomat quickly reject-ed the idea on grounds that it would wind up in arguments on his own side. Probably the same for Americans.
Still, the United States unst work

with Europe, and Europe will not work without France. The will to face the big issues is being frittered away in pointless posturing.

The Russian Forces Abroad Are a Threat to Peace

WASHINGTON — Among the more dangerous "poison pills" left behind after the collapse of the Soviet Union are the 1.5 milliou Russian troops stationed in the newly independent non-Russian states of the old union and the 25 million Russians living as ethnic minorities there.

Each of these poses serious challenges both to the new countries and to Russia. But they pose an especially explosive mix if brought together in scenarios in which the military abroad is used to back the Russian communities abroad. The Russian military, originally sta-

tioned in the republics as part of the Soviet Army, is now in an especially undefined position. Nominally part of the forces of the Commonwealth of Independent States, they are in reality a Russian army. The lack of definition of their subordination to civilian authority creates opportunities for dangerous free-lancing.
Since President Boxis Yeltsin has

announced that Russia will create a military force of 1.5 million, the best way to proceed would be to accurately relabel the Commonwealth forces as Russian. The longer they are allowed to exist under the Commonwealth fiction, the greater the possibility they will be misused to advance Russian nationalist interests.

While the draftees are probably as ready as conscripts anywhere to go home, many Russian commanders are not accepting the new reality — and are adding to the strains of already dangerous ethnic conflicts. In the Trans-Dniester region of Moldova, for

By Paul A. Goble

example, where violence continues be- every effort to try to ensure that Rustween Russians and Moldovans, the 14th Russian Army has exacerbated rather than calmed the situation. The 25 million Russians in the new

mies of the Asia-Pacific region.

Because pobtical stability has been re-established, the country can

capitalize on its distinctive advan-

tage of having the largest pool of educated manpower in Southeast Asia. While Japan and the newly

industrialized economies of East

Asia suffer from acute manpower

shortages, the Philippines is the

only country in the region with a

Recent signs point to an improve-

ment in the economy, which is likely to grow at close to 6 percent in 1992.

Inflation has been brought down to

single-digit levels, the peso has

strengthened against other currencies, and exports and imports are rising fast. Foreign investments posted significant gams, even dur-

ing the turbulent period before and during the presidential election in

May. In recent months the Philip-

pine stock market has been one of the best-performing in Asia. These positive signs are partly a

legacy of expert management by

economists in the Aquino cabinet.

surplus of skilled workers.

states are in an equally undefined situ-ation. Some of them have been there for decades or even generations. But most — one recent Moscow estimate puts the figure at 60 percent — were simply representatives of the imperial center, dispatched to promote Soviet power. Now that the basis of their presence has been destroyed, many fear discrimination. Most of the new countries have adopted remarkably bberal positions on citizenship and minority rights. The worries of the Russians seem fueled as much by withdrawal of the privileges they enjoyed as by fear of genuine reprisal.

Not surprisingly, conservatives who want to restore the empire have sought to play on the fears of the Russians in the new countries and to enlist Westem support in this regard. Until re-cently, such appeals typically came from the margins of the political spectrum. Now they are becoming more frequent, emanating from senior officials in the Russian government itself.

Sc far, Mr. Yeltsin generally has resisted these claims. But instead of backing up the reformist Russian president on these key issues, the Bush administration has been silent. This spars Russian charryinism and weakens Mr. Yeltsin.

The international community, in-cluding the United States, must make price of aid, has not insisted on these

sians in the new states enjoy equal rights as individuals, regardless of minority status. To do otherwise, or to focus on the

Russian minorities alone as many foreign leaders are doing, is to ignore the claims of the more than 30 million non-Russians who live outside their home countries. Singling out the Russians for special consideration reinforces charvinists who want to make the Russian diaspora into a permanent cause for extremist nationalism The West also must encourage both

the rapid withdrawal of all Russian troops from countries where they are not welcome, and the end of the undefined status of Russian military units by creating a specifically Russian army and eliminating the Commonwealth command. Any delay is an invitation to trou-

ble. Some Russian commanders and Russians on now-foreign soil may seek to spark violence in order to justify their continued presence. To counter this possibility, the West must internationalize the issue, perhaps via the Conference on Security and Cooperation in Europe.

Finally, we must recognize that the presence of Commonwealth forces in what now can only be considered garrisons on foreign soil is a

menace to peace.

Unfortunately, the Bush administration, which insists that Russia

ه کنامن النَّصل

more fundamental reforms. If we do not do so, we may find that any eco-nomic reforms will be swept away by military and political upheavals.

The writer is a senior associate at the Carnegie Endowment for International Peace. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Clearing Stanley LONDON - Mr. H. M. Stanley, ad-

dressed a large and enthusiastic meeting of his supporters at the North Lambeth Constitutional Club on Friday night [July 22]. The meeting was called to give Mr. Stanley an opportunity of responding to largely circulated charges that he is a buccaneer, and a poster advising people to avoid voting for a man with his hands dyed in the blood of the African." Mr. Stanley entered into a long refu-tation of the statements which had been circulated, giving a full descrip-tion of his travels in Africa.

1917: Control of Russia

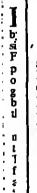
PETROGRAD - That the new Russian government is resolved firmly and swiftly to deal with the critical situa-

chaos. The Government will continue with all rapidity the reconstitution of the State by realizing all the reforms on its programme. All measures will be taken to ensure the regular working of the elections for the Constituent Assembly to take place in September.

1942: Raids on England LONDON - From our New York edition:] The heaviest German air at-

tack in weeks broke over three sections of England early today [July 24], with Nazi raiders defying intense anti-aircraft fire. There were no immediate indications that the enemy was concentrating on any one town. The raiders hit at the North and East Midlands, eastern England and East Anglia, sending down showers of flares and following them with high explosives. They flew over after Royswiftly to dear with the children same-tion of the country is indicated in a proclamation it has issued, couched in terms which leave no doubt as to its determination to take drastic mea-sures to bring order out of the present





OPINION

il is not surprising bear no demonstrated U.P. II TEXTED OF BUILD) after late a congrent said wide international relater age Mr. Bush speak (i detailed of Europe," if them knows what it to menn ac nasn't told amis diene shadowbox. There ration is an example At

rench and $\mathbf{merican}_{s}$

P ARIS — America's presidential system offers a complete new start every time a new president is elected. No-body else has quite the same thing.

out and settled by the Civil War. Otherwise there was little of the class division and hatred that marked Europe, or ideological struggles of the kind that domi-In parliamentary systems it is the party that is elected. Everyone knows its commitments, and the new prime minister has to carry his cabinet in what he chooses to do. No surprises are expected. in other presidential systems the candidate nearly always is a well-estab-lished pointical figure. There are no men from nowhere. Only the United States surprises itself with candidates who are

virtual unknowns: Ross Perot, the Texas tycoon; Jimmy Carter the peanut farmer, Bill Clinton, a man without national standing only a year ago. But Americans want to be surprised, because the surprise might be a good one, escape from a political reality become onerous, even menacing. With the convention's clash of cymbals, hope

rushes in: This time it can be different. This election year, America confronts two fundamental problems underlying the specific social and economic issues named in the party platforms.

First is the blocked system. The constitutional separation of powers has produced a stalemate between president and Congress that has now lasted the

greater part of 40 years. Democrats have dominated the House of Representatives since Dwight Eisenhower's first term, from 1953 to 1957. They have controlled the Senate in all but three Congresses since then, a period during which there has been a Democratic president only for 12 years — John Kennedy and Lyndon Johnson from 1961 to 1969, and fimmy Carter from 1977 to 1981. The result has been government where president and Congress present conflicting programs meant chiefly to place the other in politically embarrass-

ing simations. The dismaying consequences of this for the nation are clear. The second problem is social disintegration and a loss of a unifying sense of national identity. This disintegration began in the '60s, with two main causes: the left's emphasis on individual and group rights and entitlements at the expense of collective responsibility, and ample demographic transformation.

The latter has given the United States large Hispanic and Asian minorities, many of them still outside the national community of common political assumptions and expectations. They are naturally separated from an inherited American civilization and religious history predominantly North European and Protestant in origin. The great strength of the United States in the past came from a sense of unity among virtually all the people, both those descended from the original settlers and those who later chose to come as immigrants.

Racial division — slavery — was the primal curse on the country, and related to that, was the regional conflict fought

A Democratic Presidency Might Restart the Country

By William Pfaff

nated modern history elsewhere.

Now serious and uncompromising ideological conflicts exist. There is a dis-possessed underclass, largely ignored, if not despised, by those who have ruled America for more than a decade. And a sizable part of the new population not only stands apart but is encouraged to do so by those who reject the policy of cul-tural assimilation that integrated previous immigrant generations.

The result is the lowest level of political participation among all of the Western democracies, and rampant political exploitation of the society's inherently irresolvable value conflicts. Issues are not debated so much as attitudes are.

There has been a rise in demagogy, evident in the exploitation of personal and emotional issues. Enthusiasm for a magical politics — "trust in me" contributed to Ronald Reagan's success, and provided Ross Perot's principal ap-peal during his brief but flamboyant passage across the political scene.

The argument often is made that America's situation is the same as exists elsewhere in the democracies: that we are all implicated in some long-term crisis of the age, the United States simply further along than the others. A general disillu-sionment with established democratic systems and leaders is said to exist, with universal economic problems of low

growth, high unemployment, stagnation. This argument is another form of es-cape. America's problems are not those of Western Europe, and certainly not those of Japan. Except in Italy (for idiosyneralic reasons), the institutions of government in Western Europe work effectively. Politicians debate issues directly and at length on television and in the newspa-pers. Conflicts get settled by parliamentary votes or national elections.

The American ideological rebellion finst taxes has no counterpart abroad. Demagogy is kept to the margins in the other democracies, noteworthy only with respect to the sensitive issue of immigration. Nowhere else are the nation's great debates conducted by means of paid political advertisements on television and the candidates' appearances on television entertainment shows.

These characteristics of the United States today limit any president's ability to change the country's course, Everyone would like to think that a presidential vote will transform how they live. The reality, however, is likely to disappoint. The best reason to vote for Bill Chinton in November is that there would be a

majority in Congress to back him. The great stalemate would be broken, Mr. Clinton then would have an opportunity to change the nation's course. International Herald Tribune. O Los Angeles Times Syndicate.



LETTERS TO THE EDITOR

'A War of Aggression'

A holocaust has been going oo for more than a year in the furmer Yugoslavia. These are not ethnic wars, but a fullscale and brutal war of aggression by the third-largest army in Europe against the defenseless, peaceful and democratic civilians and states of Croatia, Bosnia-Herzegovina and Kosovo. Only the decisive use of force can stop it.

BORIS PETROVCHICH. Los Altos Hills California.

Bosnia: 'Unwind the Error'

Regarding "Bosnia's Cause Is Better Than Kuwait's, So Send Arms" (Opinion, July 16): The assertinn that "the people of

Bosnia-Herzegovina voted ... for independence" ignores the fact that most of Bosnia's one-third minority Serbs boycotted the independence referen-Bosnian independence violated the

principle that major changes in multiethnic societies must be approved by consensus and not by a simple majority vote. For example, in Canada constitu-tional amendments were blocked two years ago by two of the country's 10 provinces, representing only a small percentage of Canada's population.

The European Community's initial offer of recognition to Bosnia-Herzegovina—a region that has never existed as a sovereign state - set the stage for a confrontation. Extreme nationalists seized the opportunity to fan the flames of ethnic hatred between Bosnia's Croats, Muslims and Serbs. Recognition undermined the recent EC conference on Bosnia's future and ruined the fragile consensus reached in March by Bosnia's three ethnic groups.

The article states that the Bosnian government has declared for 'a multinational and multireligious community based on parliamentary democracy and respect for human rights."

The Bosnian president, Alija Izetbegovic, however, put his cards on the table with his Islamic Declaration published in 1990, Mr. Izetbegovic stated that "There can be no peace or coexis-tence between the Islamic faith and non-Islamic social and political institutions. (Daily Telegraph, May 11). He added that "The Islamic movement must and can take power as soon as it is morally and numerically strong enough, not only to destroy non-Islamic power, but to build up a new Islamic one."

The international community should support innocent Muslim victims with manitarian aid, as they should support Croatian and Serbian victims. Sending arms will only add fuel to the fire.

A political solution to the Bosnian civil war will be reached only when the rights of all three ethnic groups, including the right to self-determination, are respected equally. A UN-sponsored conference on Bosnia-Herzegovina's future should commence immediately. It is not too late to unwind the error of premature recognition.

GEORGE TINTOR.

Who Does the Spending?

According to the U.S. Constitution, it is Congress, not the president, that de-

cides government spending. Or, more correctly, government overspending. The Democrats have controlled Congress for decades. Therefore, it is the Democrats who are responsible for the budget deficit and the resulting parlous state of the American economy.

JACK JOLIS. Brasschaat, Belgium.

AIDS: Outdated Images

Ten years ago AIDS was largely a gay thenomenon. This is far from being any longer true. Still, virtually all the posters I have seen warning against AIDS fea-ture young men. The time has come for anti-AIDS advertising to show women and couples with young children. That, also, is where AIDS is in 1992. Mr. and Mrs. Jahn Doe must be confronted with this terrible truth.

PETER G. McANDREW.

The American Noise Level Regarding "Noisy Desperation" (July 10) by Russell Baker:

Mr. Baker writes in his column, "Misery is the new American conditionand making a loud noise about it is the most American thing you can do.' Bravo, he hits the nail precisely on the head! If Americans stopped shricking at each other and got on with their lives the best they could with what they had, America would be instantly transformed.

BRIAN J. CAMPBELL.

Politics May Have Changed For the Folks at the Rodeo

By Andrew Ward

SILVERTHORNE Coloradn — I heard about Bill Clinton's choice of running mate at the Summit County 4-H Rodeo in this Colnrado town. "For those of you who haven't heard

the oews," said the announcer as two cowboys chased a terrified calf out of the arena, "Mr. Clinton has named, uh, State Senator Al Gore from - some-

Nabody helped him out, but there were on catcalls — and on cheers, either. The closest to current affairs the crowd seemed to be in the mood for was to watch three local media repre-sentatives — they used to call them

MEANWHILE

geeks - ride a trin of molting hison around the arena as a comic prelude to the evening's festivities. I was in Perot country. The man

himself owns a chalet in the nearhy contrivance of Vail, where the entrées in the restaurants along the pristine, Swiss-village streets begin at \$20.

But this little rodeo — admissinn \$1 for adults, 50 cents for kids — was of a piece with the hardscrabble past that Ross Perot had simultaneously evoked and fled: the wiry, fearless women and rangy, weathered men with handlehar mustaches; the hardworking horses; bulls like locomotives, and dainty, confnunded calves — all of them gathered to enact humankind's dominion over the animal world.

I was the only adult, male or female, whn was ont in jeans. Far be it from me tn stand up and tell these people why Ross Perot was just as alien to this splendid little valley in the Colorado Rockies as I was, and why his success was ont an extension but a grotesque distortinn of the legacy they struggle in sustain.

After all, he spoke in the same windwhistling cadences as a lot of the people who attended the rodeo this evening. Like him, they draw the straightest possible line between any two points: a consequence of the distances in places such as Colorado, of the vast gaps among the tips of the preposter-ons, surrounding mountains and the scale of the temperamental clouds that roil overhead.

Their notions about government follow those same straight lines from point A to point B, even though their experience tells them that to get from point A to point B they must, like the rest of us, follow steep paths and twisting trails.

They live about as geographically and psychically far from big govern-ment as they can. They don't like it. they don't trust it, they wish it would get the hell out of the way. The best they hope for is that some-

body who shares their impatience and

distrust will came and cut the govern ment down to size.

Whether he actually shared nr mere ly played an their impatience and dis trust, Ross Pernt was, for the momen

that somehody. A lot of these people regarded hir as an example of their own virtue rewarded, of the happy results tha can accrue when a man works hard stays faithful, keeps his aim true.

All they knew about his integrit, was his twang, his crew cut, his hum hie taste in suits. But Ross Perot stil seemed a whole lat more familiar ou here than Bill Clintno and Al Gore with their civics class earnestoess and their student council good looks. But as I sat watching what the an

nouncer called "2,000 pound of snot flinging 'Bray-mer' hull" reduce . young cowboy to a hatless, limp and ruined thing, I was struck by how th national compulsion for correctnes had penetrated even here.

Half the annuncer's hanter con sisted of a defense against the sling and arrows of animal rights activists. speech about equal opportunity in the rodeo husiness, and a series of dumb male inkes to compensate for last sea son's dumb-blonde jnkes, about which he had received some complaints.

"What's the difference between gov ed" ernment bonds and men?" the an ce, nouncer asked at one point. Answer "Government hoods mature." 25' In what little remains of the Ameri ak

can West, ranching provides a poor living hut a rich life. Those riches were on display as the rodeo closed anche families lingered in the dusty twilight. eating Navajn Stir-Fry and Q-4-L: 2 BBQ, sipping beer and pop and Thelar, ma's Old-Fashioned Lemonade, ancid. speaking of hailstorms and bum truckint and smart horses with the contrary pride that every hardship dignifies.

Like all the rest of us, these people

may dream of striking it rich, but may ng be now that Ross Perot has let then down they will remind themselves nim. the riches that lie beyond a rich man'the reach — and then, with the audacity that animated their ancestors, ask the ancest hillionaire who toys with the autoresidency: "If you're so rich, why aren't you smart?"

Mr. Ward, a writer, is a former National Public Radio commentator who now lives in the West. He contributed this. comment to The Washington Post,

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.









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By Christopher Petkanas

ORCALQUIER, France - When the 1935 stone fountain honoring the four daughters of the king of Provence was rehabilitated last year in this part of the Midi intimately identi-fied with the naturalist writer Jean Giono, pastis was poured round in celebration. Champagne would have been ridiculous. This

is Provence.

Amid scampering dogs and overexcited children and nodding senior citizens, the free-flowing pastis signaled a poignant revival of the open-armed tradition of the "public bottle" that was observed in Forcalquier, 100 kilometers (62 miles) east of Avignon, and the other towns of Haute Provence until just before World War II. Custom dictated that each villager in his turn donate to the fountain a bottle of the homemade aperitif whose most important and characteristic flavoring was and is star anise.

This most strangely beautiful of spices, carved as if out of precious wood, arrived from China through the port of Marseille and was distilled into an essence that was sold in vials by ambulant merchants who toured the countryside. The conduit (sometimes heavy and masking) that hoped to give poetic expression to the anise was often "eau de vie de marc," alcohol made with the cake and stalks that remain after grapes are pressed for wine. This would have been obtained from the local

Pastis means melange in Provençal and the mixing took place at home behind closed doors following the inevitable stained and tattered handed-down family recipe. Into the mixture went the wild sunstruck aromatic plants, infused in the alcohol, for which the scratchy lunar garrigue of Provence is legendEvery recipe was different. M. Valabregue, the button shopowner, might include thyme while his neighbor M. Chabaud with the vineyards might put in savory. Or they might both use the same herbs but in different quantities or left to macerate longer. Or one might pick his right after a storm, the other after three weeks of throbbing pitiless sun. Pastis delivered the rude and violent topography of Giono's Provence, his "sensualité terienne," in a bottle.

The public bottle was all the lavender harvester, his jute sack slung diagonally across

The French must be made to understand that pastis is an honorable part of their heritage,' says Alain Robert.

his back on a bit of string, looked forward to after a morning of hallucinogenic heat in the July fields. He was the only person besides themselves whom Alain Robert and Pascal Roland sought to please when in 1990 they launched an artisanal "pastis gastronomique" out of Forcalquier under their Henri Bardowin label.

Robert's idea was to recreate the kind of bomemade pastis - luminous, knitted with nuance, and with the floral quality of outlawed absinthe - that was the drink of his coming of age in nearby Manosque, where his family is in the very Provençal business of cultivating peaches. That meant staging a careful balancing act — "cuisine liquide," Roland calls it — in the laboratory with neutral-tasting beetroot or grain alcohol and

Based on a turn-of-the-century formula found in the archives of the firm, which was established in 1878, Bardouin pastis includes nutmeg, cinnamon, thyme, clove, sage, cumion, mace, gentian, hyscop, savory, white

and black pepper, and cardamom.

Robert admits that selfishness and desperation were powerful motivators in developing Bardouin. The monster industrial brands were making his life as a fanatic man-in-thecafe consumer of the aperitif miserable. With their high licorice content designed to hide the fact that so much has been left out, these streamlined, standardized pastis were scaping and anesthetizing his palate to the point of deadening it. Satisfied that the complexity and integrity of the product had been recaptured, Robert happily supplied Forcalquier with all the Bardouin it could drink the day

La Fontaine des Quatre Reines was fêted. Robert's and Roland's only problem is one of image. Part of an extended family of European anise-based aperitifs that include ouzo in Greece and raki in Turkey, pastis is seen as an almost but not quite lowly drink of the populace. Its associations with nasty head aches, the busty bottle blonds of Saint-Tro-pez, the shady backstreet thugs of Marseille, and skulking mañana-mentality "paysans" don't help.

"Our message to you is that you don't have to be emberrassed to drink pastis," says Rob-ert. "You can be as proud as a Bordelais is to drink a first-growth Bordeaux, as proud as a Champenois is to drink a vintage Champagne, and as proud as a Scotsman is to drink pagne, and as proud as a scotsman is to drink a pure malt whiskey. The French must be made to understand that pastis is an honor-able part of their beritage." Robert's pride, which is genuine, does not extend to his distillery, a gash of a metal hanger a couple of yards from the garrigue that sends back his

Robert and Roland insist that Bardouin, priced 30 percent above Ricard and the other giant pastis makers, was never intended to take them on (The giants are said to play games like planting fields of fennel, from which anise essence can also be derived, as a warning to importers of star anise that they'd better keep their prices down and as insurance against the day when it does become too expensive or unavailable.)

Pastis is a 200-million-bottle-a-year business in France, and Roland says Bardonin is far from attaining even a half-percent market

UT who knows? It was Robert after all who invented Carlton, the peach-flavored sparkling wine that sold three million bottles in 1988 and that spawned so many copies that its creator said he stopped counting at 100. Thirteen months after the introduction of Bardouin, Jean Boyer pastis appeared on the sbelves playing the same artisinal marketing card. Robert does not see this as a coinci-

Interestingly, in a recent blind tasting Phi-lippe Faure-Brac, France's top-voted somme-her for 1988, and Frédéric Lebel, sommelier at the restaurant La Marée in Paris, gave Bardouin 19 points out of a possible 20; Pastis 51, 15/20; Ricard, 13/20; and Boyer

Ricard has had a big hit with an advertising campaign slogan that translates awkwardly as "If I can't have a Ricard, I won't have anything." Gently and in a manner of speak-ing, Henri Bardonin has thrown down the

Christopher Perkanas is the author of "At Home in France," a book about eating and entertaining in private French homes.



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'Flying Mantuan' and His Very Own Museum

By Roderick Conway Morris

ANTUA, Italy -To devote an entire museum to a sporting champion may seem an extreme case of that exaggerated local pride which the Italians call campanilismo. Yet the Tazio Nuvolari Musco, a collection of memorabilia, models, photos, documents and posters relating to the life of the Mantuan Grand Prix driver, who was born a century ago this year, is an unexpectedly absorbing experience, even for someone with

no special interest in motorcars or racing.

The fascination lies partly in the man himself, a genuine one-off, who seems to have been physically indestructable by normal human standards, and partly in the museum's evocation of an era, not so long past, but now somehow remote, when driving a racing vehi-cle required the combined skills of a point-topoint jockey, mechanic, kamikaze pilot and all-in wrestler.

Nuvolari was born on a farm at Castel D'Ario, outside Mantua, His father and uncle were top-class cyclists. Tazio's first taste 11, ended in a ditch. In 1912 he bought the tangled wreckage of an airplane that had crashed on the plain nearby and put it back together. Unable to achieve liftoff from the ground, he launched it off the roof of the house. The machine hit a haystack and burst into flames and Nuvolari emerged only

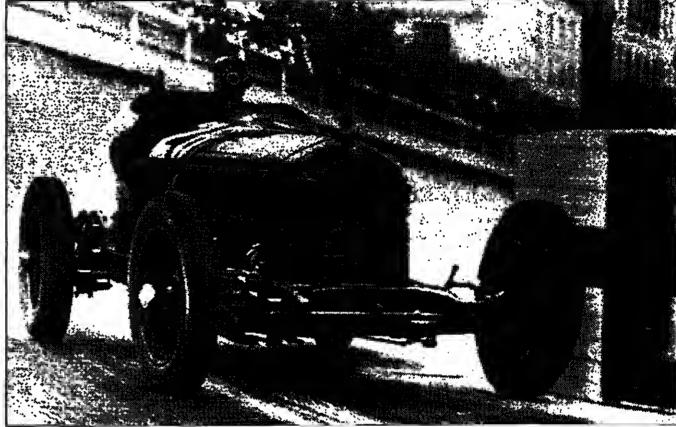
slightly singed.

While serving as an ambulance driver in World War I, be was detailed to take a visiting general back to headquarters. The officer disembarked with his hair standing on end, mumbling to the impassive Mantuan: "You ought to be a stretcher-bearer, driving really isn't the job for you."

The "Flying Mantuan," as he came to be called, spent much of the 20s racing motorcycles, mostly Bianchis, before switching to cars by the end of the decade, primarily Alfa Romeos, but sometimes Bugatis, Auto Unions and Ferraris. He was still competing and winning in 1950, when nearly 60. In total, be took part in 277 races, winning 107.

IS career was punctuated by Indiana Jones-style feats: coming first at Nuremberg, despite being hit in the face by boiling oil spilling from a car in front; winning at Donnington Park after having bit a stag at full tilt; at Bruo, after a tire burst, he completed the course with a back wheel stripped to the hub; and, at Turin, he crossed the finishing line guiding the car with a spanner, waving the steering wheel which had come off in his hands. He drove once with his leg in plaster, another time swathed in bandages like a mummy, after being badly burned.

Hospitalized in 1930, he received a telegram from the Vatican, assuring him that the



Tazio Nuvolari in his Alfa Romeo in 1932 Monaco Grand Prix.

Pope was praying for heavenly assistance to speed his recovery. Gabriele D'Amunzio, the war hero and literary celebrity, presented Nuvolari with a golden tortoise — "the slowest animal to the fastest man" — which became to speed his recovery. Gabriele D'Amunzio, the writing paper.

Racing on the road against a plane in a dual-engine Alfa Romeo in 1931, Nuvolari was only just pipped at the post (the event is

■ It looks like even The Boss has been having trouble getting in touch with his inner being and keeping up his self-esteem and stuff. "The whole mage that

had been created—and that I'm sure I promoted—it really always felt like, 'Hey, that's not me.' I mean, the macho thing, that was just never me," Bruce Springsteen told Rolling Stone magazine. So be did what be had to do, went into therapy, got a new wife and had a couple of kids, and found himself all over again: "I want to sing about who I am now. I want to get up on stage and sing with all of the 42 years that

was only just pipped at the post (the event is included in the museum's enjoyable video of classic footage). As Enzo Ferrari, who first raced against Nuvolari in 1924 and later enticed him to his own stable, recalls in a mem-oir in the museum catalogue: "He made news, caused a sensation, even when he didn't win.

A key weapon in Nuvolari's arsenal was his death-defying method of taking corners, which, according to Ferrari, was achieved by putting the car (which in earlier days did not have independent wheels and whose tires were pumped up to a high pressure), into a skid, and then hitting the floor with the accelerator—everything depending on the initial, exactly calculated wrench of the steering wheel.

"Nobody," says Ferrari, "ever succeeded in reproducing the Tazio Nuvolari 'corner.' Many attempted to imitate it; many, by trying again and again came close to his technique, but at the more difficult corners they ended up pumping the accelerator. No-body, absolutely nobody, dared to slam the pedal down like Tazio."

When car designs changed, Nuvolari de-veloped a new trick, giving the steering wheel a series of precise jerks, and no longer holding down the accelerator. "His technique," says Ferrari, "remained a miracle of sensitivity to the limits of human capability and

ysical laws." physical laws."

Unlike most of the champions of his generation, Nuvolari died peacefully in bed, in 1953. His body, dressed in racing gear, was placed in a coffin surmounted by the Italian his believe and a steering wheel. tricolor, his belinet and a steering wheel. Then like some warrior of old, he was towed to his grave by a dozen young racing champi-

ons on foot. This autumn the Nuvolan Museo is to be rularged to mark the centenary. And, from Sept. 5 through Nov. 12, the 16th-century Palazzo Te, also in Mantna, is to host "The Automobile in Art: Myth and Image," a wide-ranging review from the Futurists to the present the well included. sent that will include popular art, publicity pictures, and comic and satirical views of that ubiquitous symbol and fetish of our age.

Roderick Conway Morris is based in Venice and writes for The New York Times and The

LEICA R6.2. **FASCINATION** FOR A LIFETIME

The World Through One Woman's Eyes
"La Belle Américaine au Pied-de-Cochon" (1954) is one of 200 works by the veteran

French photographer Denise Colomb included in a retrospective of her work at the

Palais de Tokyo. A book detailing her career, which began in the '30s, has been

published by La Manufacture. The show ends Aug. 23.



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Gail Singer, who made "Wisecracks"; inset, Nicholson, Barkin in "Man Trouble."

Directed by Gail Singer. U.S. "Wisecracks," Gail Singer's stumning documentary about women stand-up comics, may be the funniest film you see all year. It's chock-full of jokes on subjects that male comics are less likely to address - abortion, periods, that single stubborn hair growing out of a breast — but which take on an almost revolutionary aura, a feel of personal revelation, when talked about by women. In making the film, Singer seems to set two major goals: to provide a showcase for the best of the new women comics, and to demonstrate how stand-up may be the last bastion of male domination and sexism. This second point gives the movie a feminist political agenda. It shows how women have to light twice as hard to be accepted in the world of comedy; how it is twice as hard for them to get onstage, and once onstage. twice as hard to win over their audiences. Singer looks at these performers as feminist pioneers, but also pays homage to their predecessors: Mae West, Lucille Ball, Gracie Allen, Fannie Brice, Martha Raye and Carol Channing among them.
(Hal Hinson, WP)

A Stranger Among Us Directed by Sidney Lumet.

U.S. Melanie Griffith has the right to remain silent, but she doesn't in "A Stranger Among Us." As a hardened New York cop, she doubtless leaves suspects wondering just what she's got in mind when she mewls: "Assume the position, scum." Hard as it is to believe, the kittenish one was more credible serving strudel to Hitler in "Shining Through" than she is as this broad in blue. A preposterous cop movie that meets a romanticized portrait of the Hasidie community, it turns into a ko-sher "Witness," a kind of bagels and locks up, as Griffith goes undercover to find a killer in Brooklyn's Park Slope. During her investigation, Griffith develops a crush on the rebbe's

pious son (Eric Thai), a brilliant rabbinical student who resists her wiles. Robert J. Avrech, who wrote the screenplay, is ap-parently getting back to his reli-gious roots with this haphaz-ardly constructed thriller that works best as a giddy primer on the sect's rigid, sexually segre-gated lifestyle. (Rita Kempley, WP)

Men Trouble

Directed by Bob Rafelson.

Not much about "Man Trouble," a sad mess directed by Bob Rafelson, written by Carole Eastman and starring Jack Nicholson, suggests that these three collaborated on one of the most haunting and representative films of another day. The memory of "Five Easy Pieces," plus a few moments in which Nicholson cuts loose despite the halfheartedness of what surrounds him, are all that mark "Man Trouble" as a film with a distinguished pedigree. Nichol-son and Ellen Barkin play Harry Bliss, a dog trainer who's

is in some way "trying to find her voice." There is visual evidence to prove that they spent time together while the film was being made, but in effect the two performances seem to come from different continents. Barkm, looking uncharacteristically pert and affecting a stilted. ladylike speaking voice, seems particularly uneasy. Even Nicholson's rare gift for managing to behave comfortably under any circumstances is put to the test Rafelson makes surprisingly in-effectual use of him. Also in "Man Trouble," and mostly bogged down by the film's joyless approach to comedy, are Michael McKean, David Clennon and Veronica Cartwright as two of Joan's fellow musicians: Saul Rubinek as an amusingly slick lawyer, and Paul Mazursky as a dog dealer. A film , that can't find much deadpan wit in a scene pairing Mazzursky and Nicholson is indeed a study in missed opportunities.

down on his luck, and Joan'

Spruance, an opera singer who

(Janet Maslin, NYT)

Beyond the Olympics

A Guide to the Rest of Barcelona

By Doug Cress

The second second second second second

ARCELONA - No one can sit through 13 straight days of basketball. Badminton will get to you after the fourth day, the wrestling weight classes begin to bhar by the sixth, and oot even aficionados of pelota - one of this year's Olympic demonstration sports -- reportedly will sit through more than four matches of bouncing rubber balls in a week.

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With that in mind, even the most die-hard sports fan will have to take time out during the Olympic Games and actually see a bit of Barcelona. What they will find is e 7,000-year-old city that eats late. works hard, drinks well, costs a lot. renacks incessantly, sleeps seldom, smokes like a chimney and dances emuil dawn, even as it strives to place the region of Catalonia firmly on the map and shake its label as

Spain's "second city," Here are some tips for getting the most out of the city.

Dinner for two can run from 10,000 pesetas (about \$100) to 2,000 pesetas, depending on whether you want nouvelle cuisine or bearty tavern fare. But all restaurants have one thing in common: no self-respecting Catalan would ever eat lunch before 2 P. M. or dinner before 10 P. M.

EXPENSIVE

- La Odisea, Carrer Copons 7 (tel: 302-3692). Chef Antonio Ferre Taratiel is e poet, artist and one of Europe's most celebrated restaurateurs. His meno offers everything from quail's eggs to a crema de

congrejos (cream of crab).

Restaurante Reno, Calle Tuset
27 (tel: 200-9129). One of only
three restaurants in Spain to be
listed in the French "Traditions & Qualité" guide, Reno offers daily fresh specials like cold green bean and lobster salad or tartare de salm-

on that dely description. Restaurant Quo Vadis, Carrer del Carme 7 (tel: 302-4072). Situat-ed near the Boqueria Market on Las Ramblas, from which Quo Vadis draws ingredients for its menu, house specialties include cochinilio tostado (roast suckling pig), and potpourri de setas (wild mushrooms sauteed with garlic and parsley).

Los Caracoles, Carrer dels Escudellers 14 (tel: 302-3185). A Barcelona institution since 1835, Los Caracoles's specialties include snails (caracoles, hence the name), pollo asado (grilled chicken) and

paclla. Brasserie Flo Restaurant, Carrer Junqueres 10 (tel: 317-8037). A converted textile factory, Brasserie Flo is e French restaurant that became a seafood lover's haven somewhere along the way. The Mariscada Especial is e platter piled high with mussels, oysters and shrimp, while the lobster bisque features a

Tram-Tram, Major de Sarria 121 (tel: 204-8518). An old house in the Barcelona foothills that draws its name from the abandoned trolley tracks outside, nouvelle seafood and pasta dishes are the fare here.

CHEAP

Restaurante Egipte, Calle Jeru-salem 3 (tel: 317-3033). The gazpa-

cho is always cold and the service 1,600 pesetas for an all-day ticket speedy. Solid local fare. A second restaurant on the Ramblas (tel:

317-9545) is just as good. Self Naturista, Carrer de Santa Anna 11-15 (tel: 318-2388), A doit-yourself vegetarian place just off

the Ramblas. Can Tripes, Carrer Sagues 16 (tel: 200-8540). Big portions and hearty food in a rustic place that's Catalan all the way, The escudella is a stew of beans, potato and garbanzos that will revive the old spoonfork debate.

TAPAS This is the meal Barcelonans eat before they really eat. It originated as e piece of bread placed over the top of your drink to keep the flies out, hence the name. Now, however, tapas can be anything from squid to sautéed mushrooms.

Barcelona Jabugo, Carrer Paris 175 (tel: 201-2942). A rousing beer hall that specializes in jabugo, the famed cured ham from Seville. Bodega La Piata, Calle Merced 28 (tel: 315-1009). A small, tiled place in the Gothic Quarter with a wide selection of smoked oysters,

tuna and hams, but the house spe-cialties are sardinos fritos (fried sar-dines) and probably the cheapest cava, or sparkling wine, in town. Can Paixano, Carrer de la Reina Cristina. A tough working-class tapas bar with no phone, no sign and no number above the door. It is

down e cluttered passageway from the Set Portes (7 Doors) restaurant, and the bar is always three-deep.

La Fira, Provenza 071 (tel: 323-7271). Take one wax museum, mix with fun-house mirrors, bumper cars, swing sets and popcorn ma-chines and put it all under a big-top tent indoors and you've got La

Torres de Avila, Poble Espanyol (tel: 426-8174). Designed by Javier Mariscal, the artist who also produced Cobi, the Olympic mascot, Torres de Avila is already a Barce-

lona landmark. Satanassa, Aribau 27 (tel: 451-0052). The front room is fine for mingling and flirting, but it's in the back room where serious dancing

DANCING Studio 54, Arenida Paral-lei 64 (tel: 329-5454). Fog machines, con-

fetti showers, three floors and a laser show. Up And Down, Numancia 179 (tel: 204-8809). Up requires a jacket and everybody's looking to get married; Down is the beautiful

people shaking their booties. FLAMENCO, BULLFIGHTS

Though both are typical of garages cost up to \$60 a day. southern Spain - and are therefore looked down upon as vulgar in Catalonia - flamenco and bullfights can be had in Barcelona. The Tablan de Carmen in Poble Espanyol (tel: 325-695) has the best flamenco in town, although Andalucia (Las Ramblas 27, tel: 302-2009) and El Cordobés (Las Ramblas 35, tel:

317-6653) are also good. Of Barcelona's two bull rings, only the Plaza de Toros Monumental near the Sagrada Familia is still in use. Bullfights are scheduled this Sunday and Aug. 2 beginning at 6:30 P. M.

AMUSEMENT PARKS

The Parque Atraciones Montjule is just e stone's throw away from the Olympic diving pool and costs

New European Frequent Flier Programs KIM has tie-ins with Northwest Aidines

By Roger Collis
International Herald Tribune

HE race is on among European airlines to sign up frequent travelers in their frequent flier programs. Since British Airways launched its Latitudes program in April 1991 in response to gathering competition on the North Atlantic from megacarriers like American and United Airlines, major European airlines have oow launched their own FFPs. (Lufthansa promises it will launch a FFP "at the beginning of 1993 when German legislation permits.")

FREQUENT TRAVELER

Since January, Alitalia, SAS, Austrian/Swissair and Air France have launched frequent flier programs. Europe-ans may become as addicted to mileage counting as North Americans.

Savvy travelers have long been members of one or more North American FFPs, often by fudging a U. S. mailing address to

Major European airlines have long been partners in one or more U.S. programs. Now, with FFPs of their own they are forging oew alliances on both sides of the Atlantic - with airlines, hotels and car rental firms, resulting in frequent confusion when it comes to figuring out what you're earning where and what the rules are for redeeming mileage awards.

The idea is to win the loyalty of high yield customers (who represent 40 percent

of traffic but about 70 percent of revenue).

United's Mileage Plus has 12 million members worldwide; American AAdvantage, 16 million. Swissair says around 60,000 people have signed up in its Quali-flyer FFP since it started on April 1.

A recent IATA survey of trans-Atlando passengers found that 21 percent of those flying business class had chosen that parocular sirline because of its frequent flier mileage program. European FFPs are more targeted to

business and full-fare passengers than those in North America. They are often linked to an executive club (as in the case of KLM and SAS). Typically, they do not allow you to use mileage points for upgrades (KLM is one exception). Most FFPs have other airline partners and tiems with hotels and car rental firms (one hotel night or car rental is usually worth 250 to 500 miles). Look for promotions: double, triple and six-fold points are often offered to boost traffic on certain routes.

For most Europe-based travelers, it usually makes sense to concentrate your mileage with no more than two programs. Look for carriers serving your fevorite hubs on each side of the Atlantic. Can you both earn and redeem mileage on partner airlines? Are you prepared to change the airline that you normally fly for the sake of an FFP award?

If you live in France, Italy or Spain, you'll probably want to join the Air France (tie-ins with Air Inter and UTA). Alitalia (Continental, USAir and United) or Iberia programs. Scandinavians will almost certainly join the SAS program (tie-ins with Austrian Airlines, Botish Midland, Swissair, Continental and All Nippon Airways).

and Air UK; German residents could do worse than join the joint Austrian/Swissai FFP, which has de-ins with Crossair, the regional Swiss airline, plus SAS on all ghts between Austria and Switze Air UK gives you access to the KLM FFP; British Midland members can earn points and redeem them on Virgin Atlantic, and United Airlines; Virgin is also tied-in with Dan Air. British Airways Lao-

of services, plus its frequent promotions. OLLOWING is a summary of FFPs that have been launched in Europe during the last six

tudes FFP is worth joining for its network

months: SAS EuroBonus is based on three levels of membership - the Blue Card, escalating to the Silver Card and, ultimately, to the Royal Viking Club Gold Card. Every flown mile earns one point in economy and two points in business class — with a minimum of 600 and 1,200 respectively for each flight. You get 2,500 points when you join and 5,000 points after 21 flights. A one-way flight in business class from Stockholm to London is worth 2,400 points, while Copenhagen-New York is worth 7,800 points. You need 50,000 points for a free business-class round-trip from Copenhagen to Prague; 120,000 points for an economy round-trip ticket

from Oslo to New York. The Austrian/Swissair Qualiflyer FFP offers diversions such as wine tasting in Bordeaux and e health and beauty week at the Victoria Jungfrau in Interlaken as well as free flights. A round-trip in business class from Zurich 10 Los Angeles earns you a free ticket for a partner when you next fly to Paris.

a Air France, which last January said, "We'd be making e big mistake to intro-duce a U. S. style FFP." did just that when it launched Frequence Plus in May. Full-fare passengers only can earn points ac-cording to destination and the class they fly. Fifteen one-way flights from Paris to London or five one-way to New York can earn you e free round-trip to Nice (600 points). A round-trip from Paris to New York on Concorde will cost you 4,500 points. To earn that you'll need no less than 13 one-way flights in first class Paris-Sydney or 30 one-ways to New York in business class.

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· Alitalia and Iberia have rolled out FFPs in the last two months. Alitalia has a different program for each market (Italy, Britain, Switzerland, France so far, with Germany, the Netherlands and Scandina-via planned for October). For a passenger based in Italy, for example, five round-trips within Europe and two round-trips to North America wins a free round-trip in business class to New York, Montreal or Toronto. On the Iberia Plus program, you need 21 business class round-trips between Spain and North America to earn a

free round-trip; within Europe you have to make 38 round-trips for e free ticket. The fastest return on FFP mileage I have been able to find is with British Midland's Destinations program. A round-trip from Heathrow to Amsterdam, Paris, Brussels or Dublin earns 180 points. A free flight can be claimed for just 350 points. Ten round-trips on these routes will win you a round-trip to the United States with United Airlines.

GUIDE

AUSTRALIA

for most rides. The smaller Parc d'Attractions arop Tibidabo

Most people know about the Pi-casso Museum (Carrer de Mont-cada 15-19) and the Miró Museum

(Plaça Neptú, Montjulc), but there is also the Footwear Museum (Pla-

za Sant Felip Neri), the Hologram

Museum (Calle Sant Jaume 1 1)

and the Perfume Museum (Passeig de Gracia 39). The city's most popular museum is the FC Barcelo-

na Soccer Museum, situated in the team's Non Camp Stadium.

Although the 6 kilometers (3.7

miles) of new beach along the ath-

letes village will not be open to the public until after the Games, there

are other places to catch the sun.

Barceloneta is right in town (Metro

Ciutadella), while other beach ar-cas like Castelldefels and Sitges are

a 30-minute or 45-minute train ride

to the south. To the north, Lloret

de Mar and Empuries are both

The Montserrat Monastery is sit-

in the 10th century, and is a one-hour train ride from the station at

the Roman ruins in Tarragona are

While many hotels get CNN, re-

also evailable Monday through Saturday at 8 A. M. on the Canal

dores Olimpicos" will give you an Olympic tour for an extra 2,000

Forget about renting a car. It

Doug Cress is a free-lance writer

and the gasoline are expensive, and

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living in Barcelona

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INFORMATION

Plus cable station.

Thursday and has it all.

TRANSPORTATION

lovely this time of year.

ONE-DAY GETAWAYS

Mountain costs 1,200 pesetas.

MUSEUMS

BEACHES

Powerhouse Mueeum (tel: 217.0111). To Dec. 1: "Australian Crafts: New Works 1988-92." Features beauty parlors of the '50s with original fittings, films and photos.

AUSTRIA

Ambras Castle (tel: 592.4407). To Sept. 20: "Spenish and Austrian Art Around 1492." Includes art objects commissioned by Isabelle, Fardi-nand, members of the Spenish Court, and by Emperor Maximillan I.

Bruges Belfort (tel: 38.40.92). To Sept. 15: "Dell et Toulouse Lautrec & Bruges." Includes some of Dall's sculptures, poems and watercolors, and Tou-louse-Lautrec's oil paintings and

BRITAIN London uated in the mountains where an image of the Virgin Mary was seen in the 10th century, and is a one-hour train ride from the station at Plaza Espanya. The Salvador Dali Museum in Figuress and the pear-

Plaza Espanya. The Salvador Dah Museum in Figueres and the near-by harbor of Cadaques offer Surre-alism and serenity, respectively, while the vineyards of Penedes and Greenwich (tel: 858.44.22). To Aug. 31: "Pirates: Fact and Fiction." Challenges the myths concerning piracy, from Sir Francis Drake to the attacks on the Vietnamese boat peo-

> The Whitworth Art Gallery (tel: 273.4865). To Sept. 5: "From Art to Archaeology." Eleven contemporary artists" resprises to the enduring power of ancient graphic land art.

broadcasts of the previous night's "ABC World News Tonight" are CANADA

There is no regular English-lan-guage city entertainment guide, but the Spanish-language Guia del Ocio (75 pesetas) comes out every Montreal Canadian Center for Architecture (tel: 939.70.00). To Aug. 2: "Czech (tel: 939.70.00). To Aug. 2: "Czech (tel: 939.70.00). To Aug. 2: "Czech (1910-25." Explores Czech attempts to synthesize Cubism and architecture. To Oct. 25: "An industrial Landscape Observed: The Lachine Ca-

nal." Photographers Clara Gutsche and David Miller offer their vision of the Industrial landscape. Public transportation is clean, quick, cheap and safe. Accredited Olympic personnel will be able to ride the buses and subways for free Museum for Textilea (1el: 599.5515). To Oct. 18: "Textiles by Junichi Arai." Master contemporary (all others must pay 90 pesetas per trip; a 10-trip ticket costs 450 pesetas). All four of the Olympic areas

textile designer uses con design many of his works. are on the subway line.

Most taxi rides cost about 500 pesetas, and the special "Informa-

DENMARK

Louisiane Museum of Modern Art (tel: 42.19.07.19). To Aug. 9: "Jeff Wall." Features works by this Cana-dian photographer, most of them stemming from the past decade. To Aug. 23: "Spain at Louisiana: Pho-tography and Design 1970-92." Fo-cuses on Spanish photography and design starting from shortly before the death of Franco, when artistic liberalism set in, until today.

FRANCE Dijon Musée des Seeux-Arts (1el: 80.74,52.70). To Aug. 10: "Portraits Sculptes du XVeme au XVIIIeme siecles." A study of the evolution of

Paris Musée National Eugène Delacroix (1el: 43.54,04.67). To Sept. 22: "Guerin et Delacroix," Fifty drawings and paintings by Pierre Guerin, and early works by Delacrob.

Parc de le VIIIette (tel: 42.40.76.10). To Aug. 15: "Urban Unwind." The Installations by Pia Myrood and Randy Naylor, Norwe-

cian artists, are lively architectural



Kroninger's "Mirage" in New York.

GERMANY

Neue Nationalgalerie (tel: 266.6). To Aug. 2: Retrospective of works by Herman Glockner (1889-1987), one of the most influential artists in east Hildesheim

Hoesenerm und Pelizaeus Museum (tel: 836 90). To Nov. 29: "The World of the Mayas." Maya artifacts, mainly from the museums of Belize, El Salvador and Honduras.

HUNGARY

Szépművészeli Műzeum (tel: 751.184), To Aug. 2: "A Decade of Austrian Painters: 1980-90." Includes 40 of the decade's most prominent Expressionist and figura-

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Jerusalem The Israel Museum (tel: 708.611). To Sept. 6: Philip Partizer's wooden shack filled with odd moving objects and gadgets parodying the modern the museum's posters.

domestic scene. To Oct. 21: "The Art of Leon Bakst." Early designs and lendscepe studies. To Oct. 30: "Books from Sefarad." A display of rare Hebrew manuscripts along with some of the remaining artifacts of

ITALY

Sotteranet dl S. Lorenzo (1el: 28.86.11). To Sept. 6: "Church and City in Florence in the 15th Century." Art depicting religious life in Florence under Lorenzo il Magnifico.

JAPAN

Tokyo Bunka Gakuen Costume Museum (fel: 31.99.23.87). To Sept. 18: "Colors in Costumes." Red, white and black costumes from around the

Rembrandt van Rijn, Jan van Goyen and Aelbert Cuyp. To Oct. 18: Tokyo Metropolitan Museum of Photography (tel: 32,80,00,31). To Aug. 18: "Family Album: Changing Perspective of Family Portraits." More than 150 photographs showing families from around the world that heve been effected by eociel

MONACO

Monte-Carlo Merisa del Re Gellery (tel: 93.25.65.99), To Sept. 30: "Fernan-do Botero." The Colombian artist's monumental sculptures.

NETHERLANDS

Amsterdam Stadellik Museum (tel: 573.29.11). To Aug. 23: "The Great Utopia: Russian Avant-Garde 1915-32." Includes pieces by Archipenko, Cha-gali, Kandinsky, Malevich and Tatlin.

Floriade Park (lel: 68.19.92). To Oct. 11: "Allocations." Twenty-four artists created works for the Floriade

RUSSIA

Moscow Kolomenekoye Mueeum (tel: 115.23.88). To Aug. 19: Three Generations of American Impresscientific to American Impressionists, includes the works of Henry C. White (1861-1952), Nelson C. White (1900-89) and Nelson H. White (1932-).

SPAIN

Madrid Museo del Prado (tel: 420.2836). 7o Aug. 16: "Jose de Ribera 1591-1652." A major retrospective of paintings and drawings by the Span-ish painter who lived in Italy and was influenced by Caravaggio and Cor-

SWEDEN Stockholm

Nationalmuseum (tel: 686.42.50). To Dec. 31: "Nationalmuseum Posters." A display of a half-century of

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SWITZERLAND

Kunstmuseum (tel: 271.08.28). To Sept. 29: "transForm: PictureObjectSculpture in the 20th Century."

Joint exhibition with the Basel Kunsthalle depicting the evolution of art in the 20th century.

Musée de l'Elysée (tel: 617.48.21). 70 Aug. 30: "Mm Wenders, Photog-rapher." Images from America and Australia, showing the Influence of these continents on Wenders's films.

UNITED STATES

Los Angeles
The J. Paul Getty Museum (tel: 459.7611). To Oct. 4: "17th-Century Dutch Drawings." Highlights this golden age of Dutch draftsmanship brough the works of such masters as

"Manuscripts and Americans." The museum's great manuscripts, once owned by American collectors. New York

Museum of the City of New York (tel; 534.16.72). To Aug. 1: "On the Edge: Photographs from 100 Years, of Vogue." In commemoration of the centennial of Vogue magazine, e stunning visual archive of cultural; history and obscorranhic artists. To history and pholographic artistry. To Sept 27: "Al-Andalus: The Art of Is-tarric Spain," Includes Illuminated manuscripts, jewelry, ceramics, tex-tiles and architectural elements. Museum of Modern Art (tal: 708,97.50), To Aug. 9: "Projects: Stephen Kroninger." An exhibition of satincal colleges that portray political, social and cultural subjects.

Washington Netionel Portrait Gallery (Ial: 357.27.00). To Nov. 29: "Noble Her-itage: Five Centuries of Portraits from the Hosokawa Family." Portraits dat-ing from the 14th century.

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Partition in Czechoslovakia The global recession

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Subway Rock Do visit the Plaza Catalunya Metro station on weekend nights around 8. That's when some of Barcelona's best unknown

rock bands make use of the tile acoustics in free concerts. Disco TH Dawn Don't expect any disco in Barcelona to get hopping before 2 A. M. Don't expect any disco to let up before well after

surise, either.

Bargain All the Way Don't pay for anything in the souvenir shops along Las A Harbor View

Ramblas without bargaining. Do ride the cable car that Montpuic. The view is breathtaking, the sea air invigorating and the cab's rickety condition will have

goes from Barceloneta across the Port of Barcelona to you overjoved simply to be back

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By Flora Lewis

BUSINESS/FINANCE

FRIDAY, JULY 24, 1992

WALL STREET WATCH

Analysts Hope for a Hit In New Chrysler Models

By Doron P. Levin New York Times Service

EW YORK - Few new products from Detroit in recent years have provoked as much curiosity on Wall Street as Chrysler Corp.'s mid-sized models, code-named L/H and set to be sold as the Dodge Intrepid.

Fagle Vision and Chrysler Concorde.

Most of the 22 automotive analysts tracked by Zacks Investment Research Inc. in Chicago are already recommending either a full-fledged buy or a buy-hold on Chrysler stock.

The main reason for the buy signal is that the economy is in an

early phase of recovery, which usually spells price appreciation for the cyclical antomotive stocks. But if the L/H succeeds "it could give the stock an espe-

Merrill Lynch says

the L/H cars could

cially strong tailwind," said Jerry G. Paul, automotive analyst for Sanford C. Bernstein & Co., which owns about 20 million Chrysler shares.

lift pretax profit Accordingly, several finan-cial analysis took the unusual above \$1 billion. step this week of attending the L/H debut in Rancho Santa Fe, California, held principally for automotive journalists.

Cars made by competitors were available, too, so analysis and reviewers could drive a \$19,000 Intrepid for a while, and then switch to a \$30,000 Acura Legend to see how they compared. Hobbled by low credit ratings and unfinanced pension liabilities of \$4 billion, Chrysler now needs a "home run" car to restore financial stability and confidence.

Analysts were optimistic when they saw hand-built L/H prototypes last year. But they were eager to assess how L/H's built on production tooling, compared with competing models such as the Taurus, Toyota Camry and the Legend.

They were also keen to hear professional judgments of automo-tive reviewers, because their recommendations often shape consumers' early buying patterns.

HE REACTION of Kathy Hamilton, senior editor of Automobile magazine, seemed to exemplify what most automotive writers were saying: The consensus was that this is an exceptional automobile. It definitely was major league, in my opinion, and the first American car I've seen in a long time that you could call state of the art."

Reviews of the L/H cars will begin appearing next week; the cars will trickle into dealerships during August and September and become more readily available later in the fall.

Chrysler executives said the L/H proved they have been able to restructure their development process from a hierarchical system to a team system, in the manner of the best of their Japanese

But analysts warned that Chrysler must still prove it can maintain the quality of the L/Hs when the assembly line cranks up to speed. And the economy must grow robustly enough to provide buyers. Given those caveats, the L/H could once more

make Chrysler stock a great turnaround story.

Harvey Heinbach, Merrill Lynch & Co.'s automotive analyst.

said that driving the L/H and listening to reviewers extol its virtues reinforced his confidence in the No. 3 automaker. If Chrysler sells 225,000 L/H cars annually, pretax profit could top \$1.1 billion, he estimated.

The depressed price of Chrysler stock during the last two years

reflects the automaker's recent earnings performance: break-even in 1990 followed by a \$795 million loss last year.

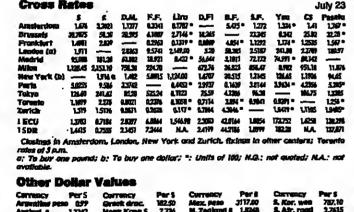
But unlike Ford and General Motors Corp., Chrysler's balance

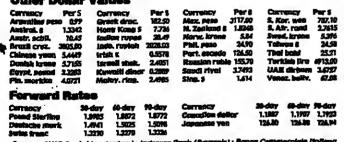
sheet remains scarred by its near-bankruptcy in the early 1980s. The automaker can no longer borrow money in public credit

ember, when Chrysler was forced to raise \$350 million of new equity, its common stock was selling for roughly \$10 a share. That compared with a peak of \$48 a share just before the market collapse of 1987. The shares rose 62.5 cents on the New York Stock Exchange Thursday, to close at \$19.125.

CURRENCY RATES

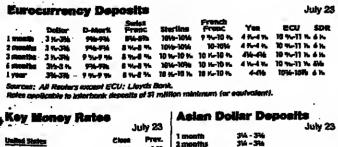
Cross Rates

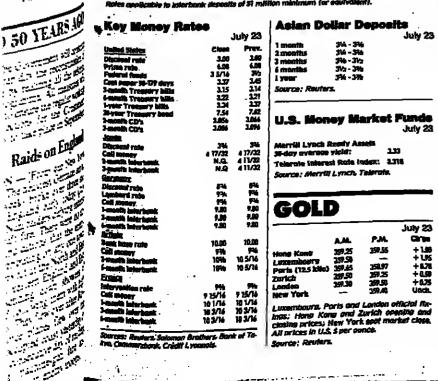




Sources: NARB Bank (Amsterdam); Indosuez Bank (Brussels): Banca Commerciale Holland (Milan); Agence France Presse (Paris); Bank of Takya (Tokya); Rayal Bank of Canada (Tarada); IMF (SDR). Other data from Reuters and AP.

INTEREST RATES





Delta to Cut Staff by 5% In Reaction To Losses

Compiled by Our Staff From Dispatches ATLANTA - Delta Air Lines Thorsday announced a 5 percent staff cut in the remainder of 1992 as part of a plan to reduce costs. The Delta chairman and chief

executive officer, Ronald Allen, said the airline's unsatisfactory economic performance required the action.

Delta earlier Thursday reported a fiscal 1992 yearly loss of \$506.3 million. In the previous fiscal year, the company lost \$324.4 million.

The airline said it had a \$180,2 million loss in the April-June quarter. Revenues in the quarter rose to \$2.83 billioa. In the comparable quarter a year ago, Delta had a profit of \$19.2 million. Mr. Allen said the cuts would

occur among Delta's temporary employees, most of whom occupy full-time positions. He also said Delta would revise

its medical benefits. The company's vacation policy for the coming year will also be adjusted to bring it closer in line with those of other airlines and U.S. industry in general, he said.

Delta estimated current employ-ment level at the airline at about 80,000. Furloughs of permanent personel are not anticipated at this

Delta has initiated talks with union representatives of pilots and flight dispatchers to discuss revisions in their benefits, Mr. Allen

The effect of the cost-cutting is expected to improve the company's financial results by about \$375 million for the current fiscal year, which began on July 1, 1992, and will expand to about \$700 million

by fiscal 1995.

Delta said the program was part of an overall plan that includes a recently announced \$5 billion reduction in capital expenditures planned through fiscal year 2001 as well as the reduction of short- and long-term debt. The cost-reduction plan also in-

cluded the recent infusion of oew equity through the sale of \$1.15 billion of depositary shares of convertible preferred stock.

At the end of fiscal 1992, Delta's debt-to-equity position was 43 percent debt to 57 percent equity, compared with 46 percent debt to 54 percent equity at the end of

This industry cannot continue to price itself below the cost of providing its service," he added. Last year the carrier bought the trans-Atlantic and European operations from Pan Am Corp. and the Pan Am Shuttle, which flies the Boston-New York-Washingtoo

In April, Delta announced it would cut capital spending by about \$5 billion and buy 100 fewer planes through 2001.

Separately, in Arlington, Virginia, USAir Group, the parent of USAir, reported a second quarter loss of \$84.9 million compared with a loss of \$56.8 million in the second quarter of last year.

USAir, the principal subsidiary of USAir Group, reported a net loss of \$77.6 million for the quarter, compared with a loss of \$52.3 mil-

lion in the year-ago period.
USAir released its results two days after announcing a \$750 million alliance with British Airways PLC that will give the British carrier a 44 percent stake. (Reuters, AP)

DEC Catch-up Tab: \$1.8 Billion

By Lawrence Malkin

International Herald Tribune

NEW YORK — Digital Equipment Corp., the second-largest U.S. computer company, Thursday reported a quarterly loss of \$1.86 billion, the buge cost of not keeping pace with innovation that had already cost its founderpresident his job.
Only \$188 million of the total came from

actual operating losses in the last quarter of its financial year, which ended June 30. An additional \$1.5 billion represented restructuring charges for layoffs and other costcutting measures in the current year.

For the full year, there was a \$2.8 billion

loss, a downhill slide from the previous year's deficit of \$617 million. Sales edged down I percent in the fourth quarter, to \$3.93 billion, and were flat for the year at \$13.93 billion. The latest quarterly result compared with a

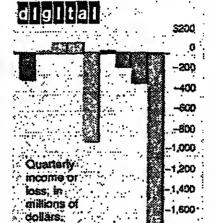
loss of \$871 millioa in the same period a year earlier, a figure that also included a \$1.1 billioa restructuring charge. Digital, which aow employs 113,800 people, has eliminated more than 23,000 jobs since 1989, and analysts estimated as many of 15,000 more could go in the current year.

Company executives said last year's cutbacks saved it \$1 billion and they hope to achieve the same savings this year, and this may include sales of some small divisions. They predicted a turnaround in the second half of the current year, when most of the dismissals will be over and machines based on the company's oew Alpha chip go on sale.

Digital stock rose immediately after the earnings announcement, but then eased, end-ing 62.5 cents lower, at \$39.875, on the New York Stock Exchange. Still, the stock is aearly 20 percent above its recent lows, and some analysts said the company was finally addressing its problems.

"This is one of those quarters when the figures are less relevant than the context surrounding them," Richard S. Chu, an analyst at Cowen & Co., told Bloomberg Busi-

The latest cutbacks had been resisted by Kenneth H. Olsen, the 66-year-old former professor at the Massachusetts Institute of



90 - 38.3 991.0094 \ 1992 \ 6002 . Financial years ending June 30. Source: Bloomberg Financial Markets

-1,200

-2,000

Technology who had become an industry statesman but missed many of the changes in the shift to smaller machines. Last week, he suddenly announced be would retire this fall after a boardroom revolt similar to the one that shook up the management and operations of General Motors Corp. this spring.

This uprising was led by the former chairmen of Ford Motor Co. and Eastman Kodak
Co., both members of Digital's board. They
faced down Mr. Olsea's faction in June and actively questioned managers about the com-pany's problems while Mr. Olsen was away in Canada on his annaal two-week canoe trip to Hudson's Bay. Whether the boss finally jumped or was pushed by the board was reiled in corporate discretion.

Mr. Olsen's replacement, Robert B. Palmer, 51, is also a former scientist with a lifetime ing Digital's personal computers in Taiwan of high-technology management experience. and selling them by mail. er. 51, is also a former scientist with a lifetime

As Digital's senior vice president and chief operating officer, Mr. Palmer had prepared a tough cost-cutting budget and presented it to the directors in May.

But Mr. Olsen tried to overwhelm it with his own plan based less on cutting costs and more on finding new revenue through new machines based on Alpha, a superfast chip capable of outperforming anything now on the market. The conflict made for constant reorganizations, internal confusion and uncertain strategy that the directors finally found intolerable.

Mr. Olsen helped found Digital 35 years ago as one of the pioneering high-technology companies on the oow-legendary Route 128 circling Boston, which lived by commercializing the discoveries made at the city's worldclass research universities. It grew into a company with \$14 billion in sales and was a power in mid-size corporate computers through its VAX line. But it missed out on the shift to smaller, more powerful desktop machines and networks and was challenged by companies such as Hewlett-Packard Co. with its machines based oa aew microprocessor

"Digital's problems didn't just begin yes-terday," said Laura Conigliaro of Prudential Securities Research. "The industry changed from the ways we had all grown used to, and for Digital this created larger-than-life problems. When new microprocessors made it possible to downsize machines, power shifted to the users who actually had them on their desks. The changes were coming faster than Olsen appreciated, and be was unable to

Like Mr. Olsen, Mr. Palmer was joint founder of a successful technology compaoy, Mostek Corp., which began manufactur-ing semiconductors in 1972. He has run Digital's semiconductor business since 1986 and oversaw the development of its Alpha chip. More recently be turned his attention to the personal computer market, where price competitioo is cutthroat, manufactur-

Mexico Hangs Future on Free Trade

By Tim Golden

New York Times Service MONTERREY, Mexico - When Mexico dreams of itself as a free-trading country, it imagines Monterrey.

Driving through this rugged city in a Mexi-can-made Ford or a Mexican Chevrolet, the vision comes into focus against the jagged spine of the Sierra Madre.

Past the freshly painted houses of factory workers and the apartment buildings sprouting satellite dishes, the elegant quarters of big in-dustrial companies stare out from a hillside.

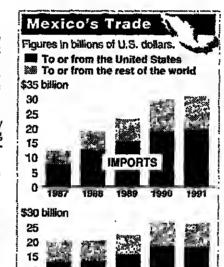
Beside the rusted carcass of what was the largest foundry in Latin America, 250,000 square feet (23,000 square meters) of new convendod center glow. Past a Blockbuster Video outlet, the Burger

King and the Sirloin Stockade, a sign reads National Lumberyard in Spanish. Bot the structure from which it rises is oot that at all. As a joint venture would have it, the store is Mexican but the shelves are stocked by True Value Hardware; even the nails come from the

After half a century of devout economic oationalism, Mexico's embrace of a proposed North American free-trade agreement has crystallized changes in everything from the way the country does business to the way it looks.

To an extent that is difficult to fathom in the United States or Canada, where the treaty would mean far less economic or social change, the idea of a union with two big, rich oeighbors has come to dominate Mexican imagination.
In the future that President Carlos Salinas de

Gortari has proffered to his countrymen, free trade has become a guarantee of their deliverance from underdevelopment. The rapid Americanization that has already taken place in Mexico's consumer culture whispers that the economy, too, might be transformed in America's image.



1987 1988 1989 Source: Banco de Mexico The New York Times

at best unevenly shared. In some industries, the pain of adjusting to foreign competition is just

starting to be felt. Ancient factories, decrepit infrastructure and poor, uneducated workers challenge the idea of competing at all. At the other ends of Mexico from Monterrey, the fear of being left behind is

In Tuxtepec, a river town a few dozen miles inland from the Gulf of Mexico in the southern state of Oaxaca, Andrea Solis Ramon, 23, said she believed free trade had changed some things already. But as she stood across railroad tracks from a dilapidated sugar mill and scold-But the expectations of a new prosperity are ed the tiny children running shoeless through

ber garbage and mango peels, she did not include herself among them. "There are imported products in the stores

but who can buy them?" said Miss Solis, who is unemployed. "We only buy rice, sugar, beans, soap and bleach."

"For the peasants, for us, it is nothing," she went on. "It is only for the big businesses. There is no work here, and that is not going to change with this free trade."

Trade officials from Mexico, the United States and Canada are expected to reach an agreement within weeks. The accord must then be ratified by the legislative bodies of all three countries, a process that will likely take until

While trade barriers have been falling in Mexico since 1987, the agreement has come to represent infinitely more than new rules of commerce. Even in the hierarchy of economic benefits, it is less important as a means to open foreign markets than as a magnet for foreign

As the flow of foreign investment quickens, there are to be better wages, stronger industries, and cheaper, more efficient services. According

to a study by the Institute of International Economics in Washington, Mexico would gain 600,000 oew jobs by 1995. Subsequent governments will be bound by

treaty to continue the economic opening, Mr. Salinas has argued, and the development of the economy will beget democratic political change. "I don't want Mexicans leaving the country anymore," he said last year, "only our prod-

But oothing quite like the merger that the 43year-old, Harvard-educated president is pro-

posing for his country has ever been tried be-The Mexican economy is one-20th the size

See TRADE, Page 13

Jobs Data Show U.S. Weakness:

New Claims Rise For Benefits

NEW YORK - New claims for unemployment benefits jumped to a two-month high of 422,000 for the week ended July 11, the Labor Department reported Thursday, a clear sign of weakness in the labor mar-

The increase of 19,000 over the prior week might have been exagger-ated by a spillover from the Fourth of July holiday, but the four-week average has begun to move up and claims have risen from the April and May level of 410,000.

In a survey of 1,000 corporate controllers by the institute of Management Accountants, only 17 percent said their companies planned to hire oew workers for the rest of the year,

Many of the nation's manufac-turing and construction executives continue to experience weakness in their industries and are not optimisoc about business conditions in the oear future, Dun & Bradstreet he Corp. said, based on a monthly on.

In Washington, the White House predicted unemployment would drop to 6.9 percent hy the end of the year in its midyear budget re-

The administration projected the economy would grow 2.7 percent from the fourth quarter of 1991 to the fourth quarter of 1992, less than amhalf the growth experienced during the a cormal ecocomic recovery.

A big improvement was reported 1 a in the deficit outlook for this fiscal year —\$333.5 billion as opposed to the \$399.4 billion projected earlier — but the White House said this was largely due to a failure of Congress to approve more money for the nation's failed thrifts.

The ABC-Mooey Magazine ule Consumer Comfort Index, which foreshadowed last year's dip in the recovery, fell for the fourth straight week, to 53, nearing its low of 50.

The statement by Michael Bos-kin, chairman of the Council of Economic Advisers, that the economy could achieve a 2.7 percent anoual growth rate in the second quarter contrasted with an earlier forecast of the Federal Reserve Board chairman, Alan Greenspan, He told the Senate Banking Committee on Tuesday that he expected economic growth in the April-June quarter to fall below the 2.7 percent rate of the first quarter.

In Chicago, Treasury Secretary Nicholas F. Brady said that 1993 and 1994 would be outstanding for the U.S. economy, but this year would be in transition as families and businesses concentrate on reducing their debt.

Richard Darman, director of the Office of Management and Budget, blamed Congress for the budget deficits because it has failed to approve spending cuts that President George Bush proposed.

The Democrat-controlled Congress also increased deficits by failing to pass Mr. Bush's economicmulus package, be said, adding that if the economy had been stimulated to grow faster, budget defi-cits would have been less.

Mr. Darman spoke after the White House released its estimates on the future of the economy. (Reuters, IHT, Bloomberg, UPI)

Suzuki and SEAT Set to Build Minicars

By Brian McGarry Special to the Herald Tribune

BARCELONA - Suzuki Motor Corp. and SEAT SA, the Spanish car-making subsidiary of Volkswagen AG, on Thursday said they would collaborate on producing minicars in Europe, where sales of such cars are expected to burgeon. The two companies plan to jointly develop and produce a new small car to satisfy what they perceive as car for the European market, which an emerging market. Fiat SpA took could represent a radical addition a step in this direction with the to the European consumer's choice recent launch of its Cinquecento of car models. The car, to be built in Spain, will be based on the Japa-nese minicar concept: a very small car with sophisticated technology

generally found only in large Euro-Suzuki and SEAT released few financial details, but Kyodo News Mini and the Fiat Panda, is expect-Service of Japan said investment in ed to grow from the current

styling of the new car, while Suzuki will be in charge of engineering. The deal is the first between VW, the biggest automaker in Europe,

and Suzuki, the leading maker of Japanese minicars. Many European manufacturers have been studying the possibility of developing a new type of small

model, and Renault of France has promised to launch a new small car later this year. According to the research com-pany DRI Europe, the small-car segment in Europe, now represent-ed by such models as the Austin

proposed by SEAT and Suzuki is 'an example of where sector boundaries are breaking down." "The minicar of the mid-1990s will be a very different proposition from what it is today," he said.

Production of the new minicar is to begin at SEAT's Zona Franca plant in Barcelona in 1995, at a rate of 150,000 units a year. The car will be sold in Europe under both the

The project will be confirmed by the presidents of Volkswageo, SEAT and Suzuki at a signing ceremony on Saturday, to inaugural day of the Barcelona Games, by Carl Hahn, Juan Antonio Diaz Alvarez and Osamo Suzuki, the re-

SEAT and Suzuki badges.

The project marks Suzuki's sec-But Arthur Maher, an analyst at ond car assembly venture in Spain. It has a 49 percent stake in Santana DRI, said a new car such as the one Motor, which built 25,000 Suzuki four-wheel-drive vehicles in 1991. SEAT has gone from strength to

strength since its acquisition in 1986 by Volkswagen. In 1988, the Spanish company posted a profit for the first time in eight years. Last year, it registered a 67.4 percent increase in pretax profit, to 8.5 billion pesetas (\$88.5 million).

In the first half of 1992, output from the company's plants rose 25 percent, to 376,000 vehicles, despite a weak European car market. The company has undertaken a 789 billion peseta investment program through the year 2000, which in-cluded the construction of a new factory near Barcelona with a capacity of 300,000 units which bemodel later this year.

Buffett Takes 15% Of General Dynamics Compiled by Our Staff From Dispatches

NEW YORK — Warren E. Buffett has purchased a major stake in General Dynamics Corp., a move that analysts said could presage the break-up of the company.

General Dynamics Corp. said Thursday that Berkshire Hathaway

Inc., the insurance company Mr. Buffett uses to make his invest-ments, has purchased 4.35 million shares of General Dynamics stock, or 15 percent of the company.

News of Mr. Buffett's investment helped push General Dynamics

shares to a 52 week high of \$75.625. At that price, Mr. Buffett's General Dynamics investment was valued at more than \$325 million.

Some analysts have speculated that Chairman William A. Anders of General Dynamics may be trying to break up the whole company. Paul Nisbet of Prudential Securities in New York, said Thursday that Mr. Buffett's stock purchase was a strong indication of such a strategy. "We expect General Dynamics to be liquidated over the next year and a half," Mr. Nisbet said. "Buffett is a very sophisticated investor and that is obviously what be expects to happen. It's the

only way he could make money on the investment." George Podrasky Jr., an analyst at Duff & Pheips, wrote, "We assume Mr. Buffett's interest in General Dynamics reflects his own estimate of break-up value for General Dynamics rather than a sanguine outlook for defense spending." Mr. Podrasky said the company's earnings ontlook was poor.

A spokesman for General Dynamics, a big defense contractor, said Mr. Buffett called Mr. Anders Wednesday to say he would file the information about his purchases with the Securities and Ex-

change Commission Thursday.

Due to rules on prompt disclosure of such investments, Mr.

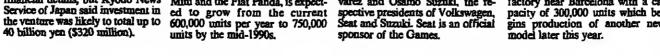
Buffett had to buy most of his General Dynamics stock in recent weeks when it has been at its highest levels in several years. Between early April and early June, the stock perched at about 65 and then

moved higher. The stock has almost doubled since hitting its 52-week low of \$39.125 last September. Berkshire Hathaway spokesmen offered no comment on the purchase except to say it was for investment purposes.

Mr. Buffett told Mr. Anders that he liked General Dynamics'

strategy and its efforts to increase shareholder value, according to the General Dynamics spokesman. Under Mr. Anders, the company is shrinking to a size commensurate with the reduced status of the

Mr. Buffett's usual approach is to buy large stakes in what he thinks are well run companies and hang on. (Bloomberg, UPI)



By Andrew Pollack

TOKYO — Sony Corp.'s announcement this week that it had demonstrated the world's first semiconductor laser to emit blue light signaled the heating up of a global race to revolutionize compact-disk technology.

The commercial appeal of the development is that it could pave the way for tripling the amount of music or information stored on a compact disk.

Mining & Manufacturing Co. in St. Paul, Min-

nesota, and a separate team from Brown Uni-

Sony's announcement was described by several specialists as an incremental improvement on breakthroughs made last year by researchers in the United States. Researchers at Minnesota

versity and Purdue University were responsible for last year's technological advances.

Arto Nurmikko, professor of engineering

and physics at Brown University, where he heads the laser work, says there was now a "horse race" to develop blue lasers among re-searchers in the United States, Japan and Enrope, and that the Japanese companies might yet be the first to commercialize the developments made in the United States.

In a compact-disk player, the tiny laser plays a role similar to that of the stylus in a phonograph system: It reads the information stored on the disk. Because blue light has a shorter wavelength than the red light now used, it can make a finer stylus, allowing each bit of information to be stored in a smaller space on the disk.

disk could store at least three and a half hours of music, compared with a little more than 70 minutes now. Such increased storage capacity information.

Still, there are numerous hurdles to overcome, and Sony executives said it would be several years before such a laser could be actually used in a compact disk player.

For one thing, the laser demonstrated in its laboratories works only when cooled by liquid nitrogen to a temperature of about 320 degrees below zero Fahrenheit (minus 195 Celsius), a requirement that is impractical for use in con-With a blue laser, a standard-sized compact sumer products or computer disk drives.

gins production of another new New Sony Laser Heralds Race to Remake the CD

would also be extremely important in allowing special opocal computer storage disks, like CD-ROMs, to store more data, sound and video

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To Our Readers

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MARKET DIARY

Bond Rally Helps **Stocks Post Gains**

NEW YORK - U.S. stocks. aided by a bond rally, withstood concerns about the economic recovery and the falling popularity of President George Bush to close

higher Thursday. The Dow Jooes industrial average rose 12.43 points, to 3,290.04.

N.Y. Stocks

Advancing common stocks outnumbered declining issues by about a 7-to-6 margin on the New York Stock Exchange. Trading was moderate, with about 176 million shares changing hands, down from 190 million on Wednesday.

Stocks were bolstered by comouter-driven buy orders and declining Treasury bond yields. The yield on the benchmark 30-year bond fell to 7.54 percent, its lowest level since January. On Wednesday, the yield was 7.62 percent.

Bonds got a boost at the start of trading, when the Labor Department said initial unemployment claims for the week ended July 11 rose 19,000, to 422,000. This will help convince people that at the very least the employment situation isn't getting better and could be getting worse," said Fred Leiner, market strategist at Conti-

Gerald Simmons, manager of institutional trading at Interstate/-

Compiled by Our Stuff From Disputches Johnson Laine, said stocks were less swayed by the decline in interest rates than by the depiction of a weak economy. "Lower rates can only drive the market higher for so long."

But Barry Berman, head trader at Robert W. Baird & Co., said: "Interest rates are low and inflation is almost nonexistent. All this stock market needs to go higher is a good economic report, but the market just isn't getting any good eco-

Corporate profits, meanwhile, have been mixed. Microsoft rose %. to 70%, after recording late on Wednesday a 52 percent increase in its fourth-quarter earnings, to \$210

Delta Air Lines fell 4, to 534.after posting a fourth-quarter loss. Chemical Banking fell 4, to 34%, after saying it would redeem all ontstanding shares of its preferred

Amdahl led the American Stock Exchange actives, down % to 14%. Pyxis Corp., the most active over-the-counter issue, ended at \$17, 3 points above its initial public offering price of \$14.

Symanter rose 44, to 21, recoup-ing just a fraction of Wednesday's 74 point plunge, triggered by con-cern about rising costs and slowing sales growth. First Boston raised its rating of the software maker to

(Bloomberg, Reuters)

Jobless Claims Weaken Support for the Dollar

Compiled by Our Staff From Dispass NEW YORK - The dollar finished lower against most major currencies in cautious trading Thursday, with more weak economic data providing selling pressure.

It was the third straight decline gainst the Deutsche mark since

Foreign Exchange

the concerted intervention by several central banks on Monday.
"We're definitely in a consolidation phase," said Lisa Finstrom, currency analyst at Shearson Lehman.

The dollar ended at 1.4820 DM, down from 1.4879 at the opening and 1,4853 at the close oo Wednesday, it also ended at 126.65 year versus 126.76 and 126.69. It traded in a narrow range of one pfennig and half a yen throughout the day.

The dollar sagged after the Labor Department said initial jobless claims rose 19.000, to a seasonally adjusted 422,000 in the week ended July 11. But in spite of the bad oews,

investors remaided wary about pushing the dollar much below 1.48 DM because of coocern that the Federal Reserve could jump to the

WORLD STOCK MARKETS

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Treasury Secretary Nicholas F. Brady left some participants puzzled when he said the United States was not seeking to depreciate the dollar, but he did not say how low the dollar might fall before central

banks intervened again. "People are beginning to think the central banks may have been trying to defend the dollar from fallng, not trying to push it up, said John Duffy, a foreign exchange trader at Bayerische Vereinsbank.

The dollar might break out of its range after June durable goods orders are released tomorrow, traders said, but even a strong report is not likely to give the dollar much of a

positive economic numbers, there won't be much upside for the dollar," said Earl Johnson, a vice president at Harris Bankcorp.

The dollar also slipped to 1.3145 Swiss francs and 5.0015 French francs from 1.3169 and 5.0120 on Tuesday. The pound rose to

\$1.9160 from \$1.9065.

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The key is economic data — Germany Vetos Gillette Link until you get a sustained series of

BERLIN (AFX) — The German cartel office said Thursday it had blocked a proposed merger between Gillette Co. and Wilkinson Sword in

oear-monopoly of the German razor-blade market.

The office said the proposed regrouping of Gillette's activities with the Dutch holding company Management Services, which distributes the Wilkinson brand in Europe, would allow the two companies to hold a

Two years ago, Gillette took over its competitor Wilkinson from the

McDonald's Results Disappointing

OAK BROOK. Illinois (Bloomberg) — McDonald's Corp. shares dropped \$2.375, to \$42.25, Thursday after the fast-food giant reported, second-quarter earnings below analysts' expectations.

McDonald's said earnings rose 9.5 percent to \$2.54.1 million, or 69 cents a share, up from \$232 million, or 63 cents, in the same period a year, ago. Revenue increased to \$5.39 billion from \$4.96 billion.

Estimates of McDonald's carpings per share averaged 71 cents. accord-

ago. Revenue increased to \$5.39 billion from \$4.90 billion.

Estimates of McDonald's earnings per share averaged 71 cents, according to a survey of 14 analysts by Zacks Investment Research Inc. "The reaction after first quarter was that everything was trending upward," said analyst Barry Ziegler of A.G. Edwards & Sons Inc. "It doesn't appear to be a follow through." appear to be a follow-through."

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197.50 19 Salomon Reports Strong Quarter

NEW YORK (Bloomberg) — Salomon Inc. turned in a strong secondquarter performance with earnings of \$211 million, up from last year's,
\$178 million, despite a special charge of \$185 million that was part of a.
settlement with the U.S. Treasury.

Before the charge, pretax earnings of \$651 million and after-tax,
earnings of \$375 million were the highest of any quarter in Salomon's
history, Salomon's second-quarter net was well above the \$190 million in

history. Salomon's second-quarter net was well above the \$190 million in the first quarter, and nearly double what analysis were expecting. according to Zacks Investment Research Inc.

MCI Revenue, Market Share Rise

WASHINGTON (Bloomberg) - MCI Communications Corp. said Thursday its second-quarter revenue moved ahead 10.7 percent, to \$2.61 billion, easily surpassing the growth rate in telecommunications at its major rivals, American Telephone & Telegraph Co. and Sprint Corp.

The telephone The telecommunications carrier reported net income grew 9.3 percent,

to \$141 million, from the similar quarter last year.

MCI has about 17 percent of the U.S. long-distance market, compared with roughly 66 percent for AT&T and about 8 percent for Sprint.

ITT Net Falls 45% for Quarter

NEW YORK (AFX) — ITT Corp. reported a 45 percent decline in second-quarter net earnings, to \$106 million from \$194 million in the; comparable quarter of last year.

Sales were up slightly, to \$5.4 billion from \$5.1 billion. The company reported a net loss of \$366 million for the first six months, compared with. a \$406 million profit in the previous year.

Weak Demand Drops Oil Earnings

NEW YORK (Combined Dispatches) — Texaco Inc., Ashland Oil Inc., and Exxon Corp. all reported lower quarterly earnings Thursday, blam-, ing recession-related weakness in demand for price cuts on gasoline and

other products.

Exton, the world's largest oil company, said net income fell 15 percent, to \$955 million, from \$1.13 billion in the second quarter last year. The second-quarter results included a \$75 million charge for restructuring of

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the company's domestic oil and gas operations.

Texaco Inc. said earnings dropped 8.9 percent, to \$245 million, and its chairman promised to continue cutting expenses. Revenue was up marginally at \$9.4 billion. Ashland Oil's earnings dropped 52.2 percent, with earnings of \$32 million for its third fiscal quarter. Revenue was up slightly at \$2.6 billion.

(Bioomberg, AP)

Whirlpool Reports 8% Decline

BENTON HARBOR, Michigan (Bloomberg) - Whirlpool Corp., the world's biggest maker of bome appliances, reported on Thursday an 8 percent decline in second-quarter earnings because of economic and political problems in Brazil.

Whirlpool earned \$53 million, down from \$58 million in the comparable period last year. Revenue rose 4 percent to \$1.84 billion.

The Brazilian government recently initiated price controls in an effort to lower inflation, which hart Whiripool's profit margin. Whiripool reported break-even results in Brazil after earning about \$9 million last year.

The dollar ended lower in London earlier at 1.4865 and 126.63

Yen, down from 1.4895 and 126.93

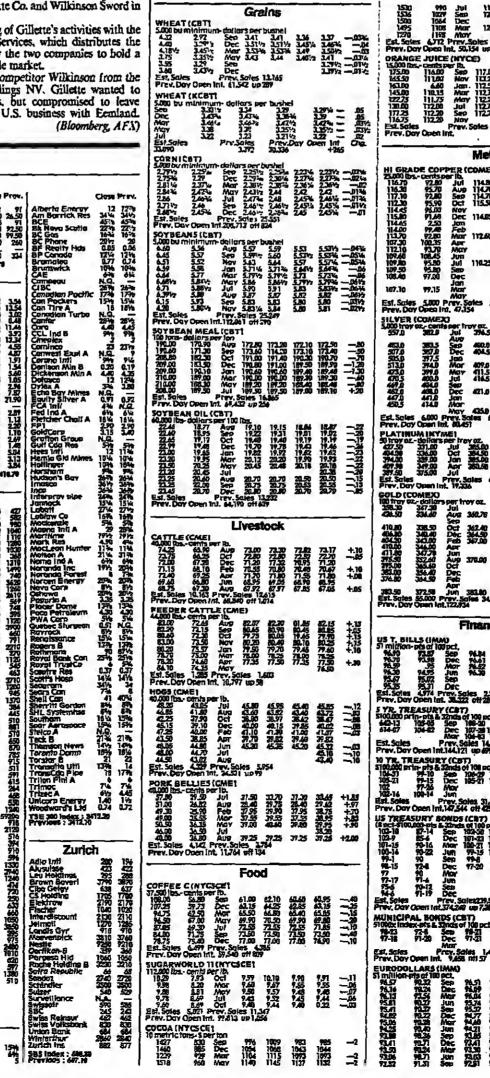
Two years ago, Gillette took over its competitor Wilkinson from the Dutch holding company Eemland Holdings NV. Gillette wanted to sequire Wilkinson's European Community and U.S. business with Eemland Wilkinson's European Community and U.S. business with Eemland

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U.S. FUTURES

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BRITISH POUND (IMM) US T, BILLS (IMMU)

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83/3 83/3 83/3 8270 22.00 21.57 22.77 21.44 21.57 21.37 21.07 20.05 21.14 21.54 21.51 21.40 21.25 21.10 21.05 20.06 STOCK Indexes

SP COMP. INDEX (CME)

points and cents
4220 3746 Sep 410.59 41220
4230 3746 Sep 410.59 41220
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Est. Sales
Prev. Sales 47.444

Prev. Doy Open Int. L54.446 up 25.52

NYSE COMP. INDEX (NYFE)

points and cents
20.50 20.50 June
20. \$P\$\$P\$\$P\$\$P\$\$P\$ Sep 225.88 224.80 225.15 Dec 224.16 224.20 225.95 Mar 226.25 224.35 226.25 Jan Prev. Sales S.M1 nt. 6.273 off 64 Market Guide

Frankfurt 175175.50 Hold 289 286 99 400.59 712 714 124.91 221.10 241.91 221 Montreal Alcan Alumhum 21% Bank Montreal 47% Bell Canotic 45% Bell Canotic 45% Bombardier A 15% Bombardier B 15% Cambior 7% Cascades 8% Dominion Text A N.Q. Toronto Abitibi Price Aprico Ecole 4 Corrodo هكذامن الأجهل

Europe: Out of the Business of Business

By Patrick Oster
Washington Post Service
BRUSSELS — Italy is selling

AT THE CLOSE

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McDonald's Com the fast-food giant repond

the fast-food giant reported a report to \$25.4.1 million or so cents, in the same period a few charge everaged 71 cents according was ment Research for "The cards & Sons Inc." It don't

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Bloomberg AP

Oil Earnings

Quarter

off industries that have been part of the government since Mussoli-m's day. France is cutting loose everything from computer companies to insurers.

Germany this week announced plans to sell at least parts of Lufthansa and Deutsche Bundespost Telekom, the national telecommunications system, as well as a number of smaller enterprises.

Governments across Western Europe are scrambling to get nut of the business of business. This has been happening all over the world for the last 10 years. Finally it's happening in Western Europe," said Oliver Letwin, a merchant banker with

the London firm of N.M. Roth-

schild & Sons Ltd Aside from leveling the playing field, the trend may provide pri-vate firms with lower costs for phone, electric, rail, airline and other services as market efficiencies take hold, said Mr. Letwin, whose firm has handled privati-

zation in 22 countries. Two forces are behind the move to sell state-run companies: New Enropean Community rules that ban billions in state

• The need to trim huge budget deficits and national debt to qualify for EC monetary union. EC members must get budget deficis down to 3 percent of gross do-mestic product and national debts to 60 percent of GDP under a formula proposed by the Maastricht treaty.

Bank Buys into Aerospatiale

PARIS — Crédit Lyonnais, the French government-controlled bank, will acquire a stake of 20 percent in Aerospatiale, the stateheld aerospace and defense concern, a statement from the Finance

Ministry said Thursday. Credit Lyonnais will pay 1.4 billion francs (\$278.9 million) to subscribe to an Aerospatiale capital increase and will also allocate 2 percent of its own share capital to the state. The government's stake in Credit Lyonnais would rise as a result to 56.3 percent from the

current 54.3 percent. The ministry said the accord will take effect over the next few Acrospatiale had said in May that it had expected an accord with the bank by the end of 1992 and press reports have cited fears in the

government that the arrangement may lead to objections from the EC Commission. ry, the IRI rolled on. Last year, its airline, food, chemical and other

While treaty ratification has become complicated, monetary union is expected to go forward, said Daniel Gros of the Center units accounted for 15 percent of Italy's economie activity. For all their sales, however, IRI businessfor European Policy Studies here. Italy, an ardent backer of mones lost \$280 million last year. etary union, has a budget deficit is 11 percent of gross domestic product; its national debt is 100 effort to cut the projected \$156 billion deficit by \$27 billion, Mr.

Dercent. Italy's new prime minister, Giuliano Amato, shocked Italians with an emergency decree that transformed some state-run conglomerates into joint stock

Italy's Istituto per la Ricostruzione industriale may well be the ultimate victim. During the Great Depression, Benito Mussolini created the IRI with government money to form companies and

With Mussolini barely a memo-

In France, 10 percent unem-ployment prompted the sale of more than \$1 billion in state shares in Total, reducing the government interest to 5 percent. Unwilling to weaken the franc by borrowing, Prime Minister Pierre Bérégovoy chose to raise \$2 billion through

sale of state firms.

Such sales could also include \$450 million in state stock in Caisse Nationale de Prevoyance, a life insurer. There is also talk of selling stock in Air France, Renault, Thomson SA and Elf Aqui-

In Britain, where ideology rather than financial pressure prompted Margaret Thatcher in privatize \$76 billion in state firms, the sell-Some dichards don't want to

sell their state firms," said Mr. Gros, because governments gain their power from the jobs. In Belgium, 55 percent of the workers are in the public sector. Some uncompetitive state firms

epresent prestige.

Over the last 20 years, Britain, Germany, France and Spain have pumped \$13 billion in subsidies into Airbus Industrie, rurning the unprofitable plane maker into a rival for McDonnell-Douglas Corp. and Boeing Co.

France's cash cows are pumping money into money losers. Banque Nationale de Paris is buying a \$250 million stake in Air France Crèdit Lyonnais bought a \$500 million stake in Usinor Sacilor.

Under EC rules, both capital infusions had to go for restructuring aimed at improving competi-

Bank of Spain Defends Peseta With Rate Rise

MADRID — The Spanish cen-tral bank raised a key interest rate on Thursday to bolster its sagging currency and combat inflation at the risk of slowing economic growth. The Bank of Spain boosted its

benchmark money market interest rate by 0.6 percentage points, to 13 percent, at its regular repurchase tender for central bank certificates. The pesera traded at about 63.80 Deutsche marks, down from 64.10

at the close on Wednesday. Spanish stocks tumbled, with the General Index falling 4.46 points, or 2.0 percent, to 216.10.

"It was a dual-edged move," said David Brown, an analyst with Swiss Bank Corp. "They are de-fending the peseta and providing a counterweight to Tuesday's fiscal measures, which are going to knock inflation higher." inflation higher."

On Tuesday, the government announced emergency measures to cut its burgeoning budget deficit, which was 1.227 trillion pesetas (\$12.9 billion), 86 percent of the target for the year. The measures, which include higher taxes, are likely to boost inflation. The peseta, meanwhile, has been under pressure since Danish voters rejected the European Community's economic and monetary

union treaty in June. The government's measures, coupled with Thursday's rate increase in what is already an expensive country in which to borrow money, is

expected to dent economic growth. Ricardo Barcelona, an econo-

around 1.7 percent in 1992 from 2.4 percent in 1991.

Economy Minister Carlos Sol-ehaga Catalán, has predicted growth of about 2 percent this year. Meanwhile, the Swedish central bank sent a signal that it would raise interest rates, and some money mar-ket participants said such a move could come on Friday. A reverse repurchase operation drew an accepted bid of 12,24 percent, sharply righer than the 11.59 percent rate on the previous deal to provide liquid-

ity to the money market.
The results indicate that the Central Bank has tightened liquidity through higher overnight rates," one dealer said.

The outlook for a rate rise pushed up money market rates, which siphoned money out of the stock market. The Bourse's general index fell 1.46 percent, to 828.36. ■ Lombard Rise Avoidable

Helmut Schlesinger, the Bundes-bank president, said the rise in the central bank's discount rate ordered July 16 does not automatically entail a rise in the Lombard rate, Agence France-Presse reported from Paris.

He said money supply growth and European Monetary System concerns would figure in the German central bank's plans. There has been speculation the discount rate rise set the stage for an increase of the Lombard rate, which affects money markets more strongly.

His comments came as the finance ministers and central bankers of France and Germany put on a show of solidarity at their twicemist with Nomura Research Ltd., yearly bilateral Economic Council sees economic growth slowing to Meeting.

Frankfurt London 1900-2500 1600 F M A M J J Change Close - 27-n L .-0.25 **CBS Trend** 116.20 116.50 -0.28 5,723.64 Brusseis Stock Index 5,707.40 -0.3D Frankfurt 1,623,37 22-FAZ 648.76 649.04 -0.04 -1.23 HEX 706.12 714.89 Financial Times 30 +0.28 London 1,803.00 1,808,10 FTSE 100 +0.49 2,399.50 -0.83 214.30 Milan +0.13 MIB 799.00 800.00 Paris CAC 40 1,734.56 1,727.49 +0.41 -1.49 947.83 -0.28 SBS +0.28 Zurich 607.10

Investor's Europe

Very briefiy:

• Reuters Holdings PLC shares fell 57 pence (\$1.08) to £10.33 after Barclays de Zoete Wedd cut its earnings estimates and Nomura reiterated a "sell" recommendation; the shares have fallen 10.3 percent since, Reuters on Tuesday said it could not predict higher revenue growth.

 Amstrad PLC said its loss for the year ended June 30 would be about £25' million (\$47.5 million) greater than previous expectations due to weak computer prices and a restructuring; it did not specify the expected loss. IFI SpA, the Agnelli family holding, said consolidated net profit for the

year to March 31 fell to 285 billion lire (\$252 million) from 332.4 billion. • The European Bank for Reconstruction and Development will issue 2 billion Hungarian forints (\$25 million) in bonds at the end of the year. and lend the proceeds to local businesses. Hungarian press reports said. • Caterollar Overseas, the Swiss arm of the U.S. construction equipment maker, agreed to set up a parts-making joint venture with Godollo Machine Factory of Hungary, the Magyar Hirlap daily reported.

 Isosceles PLC, the British food retailer, said it restructured its financing arrangements to allow fur an initial stock offering in 1995.

• Eurotumnel PLC said it is not planning to seek further financing from banks or shareholders prior to the opening of the Channel Tunnel in the fourth quarter of 1993.

• French longshoremen in Marseille, the country's largest port, called a two-day strike beginning Friday to protest a new labor law that would cut jobs and make them salaried workers.

The Associated Press

An Argentine official said the agreement, reached Tuesday July 21 at a meeting of the Paris Club grouping of government creditors, allowed Argentina to spread repayments totaling \$2.8 billion over 16 years, including a four-year grace period. The amount represents almost one-third of the

DISNEY: Gloss Is Off as European Theme Park Forecasts First-Year Loss

(Continued from page 1)

dance, no inference about future attendance or profitability should

be drawn.

Reacting to the announcement, Panbas Capital Markets Group is-sued a "sell" recommendation on Euro Disney stock, saying that at-tendance levels for the period were 15 percent below its expectations and spending on food and other merchandise was 10 percent below. It predicted that the company would lose 300 million francs in the current financial year and continue

losing money for two more years. The main problem confronting Euro Disney appears to be manag-ing its costs and finding an appropriate price level for its over 5,000 hotel rooms. Clearly, costs have been geared to a revenue level that has not been achieved, and the

prices that have been widely described as exorbitant.

Mr. Forsgren said staffing, now at 17,000, would "come down significantly in the next two months, mainly through the attrition of seasonal employees." Of the current staff, 5,000 were employed on a temporary basis, he said.

lowest-priced rooms at the resort had been cut to 550 francs (\$110) from 750 francs at the time of the was having difficulty attracting opening, and that some rooms were people from the Paris region. Mr. being offered at 400 francs for the Forsgren said that French attenwinter season. Analysts believe ho-dance was improving and account-tel occupancy has been running at ed for 1 million of the 3.6 million currently over 90 percent.

"The key issue is costs," said Paul Slattery, an analyst at Klein-

company is beginning to drop hotel have no idea what their winter at- 30, the first in which the park has battling to get costs to an appropri-ate level. The stock's still over-

This year, as part of a larger

Amato hopes to raise \$6 billion by

selling bonds that can be traded

Stakes in Agip, the state gaso-line monopoly; Snam, the natural gas firm, and SME, a state food

enterprise — all profitable — are

likely to be offered first, said Fran-

cesca Lolli, an analyst with the

brokerage firm of Hoare Govett

But buyers may shun money losers such as Alitalia and Ilva, the

steel giant, unless the convertible

bonds carry a good interest rate.

Ltd. in London.

for shares in state businesses.

Still, huge uncertainty hangs over the company's plans to keep the theme park open through the cold European winter - something He also acknowledged that the no other theme park in Europe has ever attempted.

they'll get it right."

Last month, the company said it about 68 percent, although it is visitors, with most of the rest coming from Britain and Germany. Only I percent of visitors have been

American. For its third quarter ended June

tendance levels will be and they're been operating, the company an-battling to get costs to an approprifrancs (\$492 million), but gave no priced, but I think in the long term profit or loss figures in line with French practice for quarterly results. In the first half, the company earned 75 millioo francs, mainly

from financial income and sale of

construction rights on its site. ■ Disney Net Gains

Walt Disney Co. said attendance and spending by visitors at its theme parks rose but that its big investment in Euro Disney had slowed overall profit growth in its theme park division in the latest quarter, The Associated Press reported from Burbank, California.

During the April-June period, the third quarter in Disney's fiscal year, the company earned \$220.8 million.

TRADE: Mexico Embraces Pact

(Continued from first finance page) that of the United States. It is full of bottlenecks, inefficiencies and

failing companies. Under the expected terms of the treaty, Mr. Salinas's Third World nation will have to integrate with its wealthy neighbors more quickly (though less fully) than Spain or Greece did in joining the European

In its sales pitches abroad, the Mexican administration tends to concentrate on its market of 85 million consumers, the tariffs it has brought down to an average of 11 percent and the looser investment

regulations that are to follow, For many foreign companies, however, the essential attraction is still cheap labor. The Mexican per capita annual income is \$3,458;

industrial companies in Monterrey, assembly-line workers are paid as little as \$5 a day.

By its de facto control over most of the Mexican media, the government has projected a more consistently positive image of the accord than either of its North American counterparts could hope to do.

The government's success in ending oearly a decade of economic crisis has also inspired many Mexicans, even among the nearly 40 million who live in poverty, to grasp its visioo without reserve.

Yet while opinioo polls show that Mexicans support a trade agreement by a large majority, interviews with laborers, businessmen and farmers suggested a country oearly as skewed io its allocations of confidence as it is in that of Americans, \$22,690, and

the distribution of its wealth.

Creditors Reschedule Argentine Debt

PARIS - Argentina's creditor governments have agreed to reschedule large chunk of the country's external debt, the Finance Ministry of France said Thursday.

\$8.7 billion of debt that Argentina owes to Paris Club members. The arrangement is more favorable than a 10-year repayment period agreed the last rescheduling of the country's debt, in September 1991.

NASDAQ

The property of the pr

Seibu Announces Plan For Store in Shenzhen

Stores Ltd., one of Japan's retailing ziants, announced plans Thursday clo establish a department store in chenzhen, China.

Although final permission has et to be gained from the government, Seibu said it expects the au-

horization within weeks.

Site selection and construction is blanned to start immediately after

This is just our first step in A hina." said Ryuhei Akimoto, a aspokesman for Seibu. Y The Japanese store group has

neen active in Hong Kong. Shenzhen, which is adjacent to Hong Kong and ranks among the nost vibrant of China's free-enterprise zones, was seeking foreign inestment, Mr. Akimoto said.

Shenzhen Seibu Department Store Co., a 1.2 billion yen (\$9.3 million) venture, will sell clothes and electronic goods imported rom Japan and Hong Kong.

Bloomberg Business News Scibu and Shenzhen-based Myer
TOKYO — Scibu Department Jewelry Manufacturer Ltd. will own 55 percent of the venture. The remainder will be held by the city.

Seibu plans to begin operations in the middle of next year at the earliest. The store will be 2,000 to 3,300 square meters (22,000 to 37,000 square feet) in size.

Following the Chinese government's policy of attracting foreign investment, Shenzhen had been seeking a retail company with a strong Hong Kong operation when it approached the Japanese company to open negotiations.

"We saw the potential of the Chinese market, and in May decided to do it," said Mr. Akimoto. "We'll be targeting the general consumer," he added.

"China is highly attractive to Japanese retailers," said Setsu Yamazaki, a retail industry analyst at James Capel.

"It's the world's biggest, most undeveloped market."

Thai Air Hits a Premium

BANGKOK — Shares in Thai Airways International Ltd. ended their first day of stock exchange trading at 63 baht (\$2.50), a small premium to its offer price of 60 baht, but analysts questioned the state-controlled carrier's earnings prospects.
"The airline will likely underperform the SET Index in the next 12

to 18 months or until it is adjusted to a more realistic level of 40 baht," based on the prospect of lower earnings, said an analyst at Standard Chartered Securities Asia.

Unidentified airline executives, in oewspaper interviews printed Thursday, had urged the public not to sell if the stock began to fall. (Reuters, AFP)

Westpac Shares Slip to 7-Year Low

SYDNEY — Shares in Westpac Banking Corp., Australia's largest and oldest bank, dropped to their lowest level in seven years Thursday on oncerns about its 1.2 billion Australian-dollar (\$898 million) rights issue. Westpac announced the one-for-three rights issue in May to shore upapital after a first-half loss. Its shares fell to 3.09 dollars from 3.12 on

Local press reports cited speculation about a shortfall in subunderwriting or the issue. Frank Conroy, Westpac managing director, said the issue was rocceding as planned and that subunderwriting had been completed.

Main underwriters parcel out blocks of an issue to subunderwriters to hare responsibility for sales and costs and to minimize risk.

Taiwan Gets Miyazawa Talks Market Up Boeing Aid For Test Lab

Compiled by Our Staff From Dispatches TAIPEI - Taiwan will pay Boeing Co. \$3 million for its help in setting up a quality assurance laboratory to test aircraft components.

authorities said Thursday. The \$48 million governmentfunded project will begin opera-tions in 1997 and provide a boost in Taiwan's drive to become an aerospace manufacturing center, Taiwanese officials said.

The laboratory will assure that parts manufactured in Taiwan for Boeing and other companies are in compliance with standards set by the U.S. Federal Aviation Admin-

It is the first time Boeing has sold quality-assurance technology, said Mervyn Cronie, director of international operations at the company.

Taiwan last year announced plans to develop a \$6 billion aerospace industry.

The U.S. company will cootinue talks with Taiwan Aerospace Corp. on possible cooperation, said Mr. Cronie. He denied media specula-tion that the move was linked to rival McDonnell Douglas Corp.'s troubled efforts to form a tie with Taiwan Aerospace.

Taiwan Acrospace, 29 percent government owned, signed a pre-liminary contract last November to buy up to 40 percent of McDonoell's commercial aircraft operations for \$2 billioo. But the company has backed away from taking a major equity stake, and talks have become deadlocked.

Chen Chao-yih, a director in the Economics Ministry, said the lab-oratory would help Taiwan's annual output of acrospace products rise to about \$6 billion in the year 2000 from \$500 million in 1990.

Taiwanese firms are already milding parts for Boeing and Mc-Donnell Douglas under offset agreements made when Taiwan's rlines bought aircraft.

You cannot produce aircraft until you have all these procedures to replace all components," said Mr. Cronie. "It's a really important step for Taiwan industry to develop its quality-assurance standards." (AFP, Reuters, Bloomberg)

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High Low Stock

By Paul Blustein Washington Past Service

TOKYO - Prime Minister Kiichi Miyazawa called Thursday for an emergency meeting of top officials to discuss the ailing Tokyo stock marker, pulling the market out of a nosedive - temporarily, at least

The announcement appeared aimed at giving the market a quick psychological boost rather than indi-cating a well-conceived plan. Indeed, earlier in the day two top officials, including Finance Minister Tsutomu Hata, said an measures were being considered to prop up the stock market which hit its lowest level in six years on Wednesday.

But shortly thereafter, at midday, Mr. Miyazawa told reporters that he has "several ideas" concerning the market that he wants to discuss urgently Friday evening with cabinet ministers and leaders of the ruling Liberal Democratic Party.

However poorly orchestrated, the disclosure produced the desired effect. The Nikkei stock average, which had fallen 9 percent in a week and was down another 1.3 percent early Thursday, reversed course and finished the day up 3.2 percent, at 16,039.94.

Analysts voiced concern that the woes of the market could intensify if the meeting fails to produce tangible results. "The government can do very little," said Noboru Kawai, an economist at Morgan Stanley International. "In fact, they can do more damage. The stakes are being raised here."

S&P Cautions

On Japanese

Property Firm

Compiled by Our Staff From Dispatches

Poor's Asia Ltd. said Thurs-

day it was changing its outlook for Mitsubishi Estate Co. Ja-

pan's leading real estate com-

pany, from positive to oega-tive while maintaining its

"The company's current

high debt levels increase its

vulnerability to continued dif-

ficult conditions in Japan's

real-estate market," the rating

Still, Standard & Poor's

gave its top AAA rating to the

company's two Eurobond is-

sues of 50 billion yen (\$400

million), based on Mitsubi-

shi's superior earnings and

cash-flow protection from its

large landholdings in Marun-

ouchi, Tokyo's commercial

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(AFP, Bloomberg)

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agency said in a statement.

triple-A debt rating.

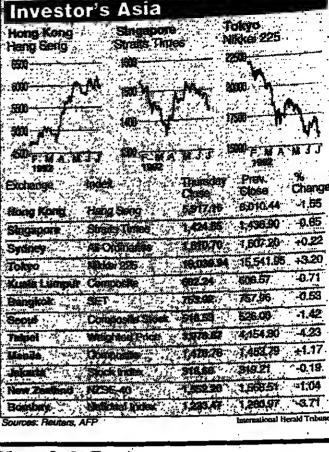
TOKYO - Standard &

investors have been yearning for the government to stimulate Japan's flagging economy with tens of bil-lions of dollars' worth of public works spending and other measures. But the government has already decided to wait until September or October before compiling such a package, and its timetable is now impossible to change. They're only going to be able to take marginal steps, for instance by announcing when and how the stimulus package will be prepared," Mr.

Nevertheless, Mr. Miyazawa appears to have pulled off a minor political coup by averting a market disaster just before Sunday's election for the upper house of the legislature. And because the meeting is scheduled for Friday evening, any adverse market reaction won't be felt until Monday, safely after the election.

In his remarks to reporters, which came during a campaign stop in Kobe, Mr. Miyazawa said that some "overseas factors" appeared to be depressing the market, an apparent reference to Germany's recent lifting of interest rates. "We have to consider various, or all possible measures" to halt the decline in share prices, the prime minister said.

Seeking to dampen expectations, Nobuo Ishihara, the deputy chief cabinet secretary, told reporters that the meeting will consist mostly of "an exchange of opinions" on the economy rather than a drafting



Air Slump Has All Nippon **Rethinking Global Growth**

Compiled by Our Staff From Dispatches TOKYO - in a setback to its plans to expand internationally, All Nippon Airways, Japan's giant domestic carrier, said Thursday it was considering reducing flights on some overseas routes and delaying the implemenation of a new service.

A spokesman for ANA said the airline was considering delaying the launch of twice-weekly service between Tokyo and Frankfurt, and cutting services to Vienna, Brussels and Kuala Lumpur. The spokesman said cuts were being considered because of the slump in the airline industry, but he said a decision would not be made until September.

The disclosure followed news this month that Japan Air Lines Co., All Nippon's bigger rival on international routes, was considering suspending flights to Copenhagen and New Delhi.

"The worsening business climate is forcing them to slow down their expansion," said Daniel O'Keefe, an airline industry analyst for Merrill Lynch. He added the recent slowdown in Japan had not yet seriously eroded profits and that by reducing international flights now, All Nippon was "just being cautious."

The stock market reacted favorably to the news. All Nippon's share

price rose 32 yen (25.5 cents), or 3.5 percent, to 947 yen.

Last year, All Nippon launched an ambitious bid to compete with JAL. for international passenger service. It has opened new routes to New York, Paris, London, Moscow, Seoul, Bangkok, and other cities, and was to have launched its service to Frankfurt in October.

ANA currently has three flights a week on the Tokyo-Vienna, Tokyo-Brussels and Nagoya-Kuala Lumpur routes, which are operated with Austrian Airlines, Sabena Belgian World Airlines and Malaysian Airlines, respectively. (AFP, Bloomberg)

Very briefly:

 Samsung Electronics Co. of South Korea received an A rating from Standard & Poor's Corp., a medium investment-grade level that reflected "fairly aggressive" leverage, the rating agency said.

Semitomo Corp. and Mitsui Mining Co. will cooperate with two U.S. mining firms, Arch Mineral Corp. and Meridian Minerals Co., to start a feasibility study for a coal mine in Montana.

. South Korea auto exports rose 11.9 percent in the first half of 1992, with more vehicles going to Europe than to the United States for the first time. • India's trade deficit in soured to \$944.7 million in April and May from \$118.9 million in the similar two-month period last year as imports rose following a financial crisis in 1991.

• Imperial Chemical Industries's Pakistan unit said it would set up a power generation plant to be supplied by Dahaitsu Motor Co. at a cost of

 Air China has rented two aircraft and 70 crew from the Uzbek national airline to operate a link between Urumqi, a major city in western China,

 Marubeni Corp. promoted Iwao Toriumi, 59, from vice president to president of the Japanese trading giant as of Aug. 1.

• Japanese department store sales fell to 746 billion yen (\$5.97 billion) in June, down 3.7 percent from the like period a year ago due to cool weather and the economic slump. · China Strategic Investment Ltd., a Hong Kong investment company,

said it will make a rights offering on the basis of one new share for every four held to raise 195 million Hong Kong dollars (\$25 million) to finance manfacturing interests in China.

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Thursday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect

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Wednesday's Line Scores

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TRANSACTIONS

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Judge Blocks Realignment

CHICAGO — A federal judge blocked National League realignment on Wednesday, saying the com-missioner of major league baseball, Fay Vincent, had exceeded his power in overriding the Chicago Cubs' veto. U.S. District Judge Suzanne B. Conlon granted the Cobs' request for a preliminary injunction that stops Viocent from ordering the team to the NL West next season along with the St. Louis Cardinals, while moving the Atlanta Braves and the Cincinnati

Reds to the East. The judge scheduled a hearing for oext Thursday for lawyers to discuss whether she should issue a final rul-

The commissioner's office was expected to ask the 7th U.S. Circuit Court of Appeals to lift the preliminary injunction. If it remains in place, the divisions would remain as they are pending a final decision.

The suit took on some urgency be-cause the NL is required to suhmit a draft of its 1993 schedule to the Major League Baseball Players Association by Aug. 1,

Braves' Winning Road Leads to First Kent Mercker earned his fourth. save by getting pinch-hitter Craig Wilson in hit into a game-ending



since July 9, return home with a oew look. It's called first place. Capping the most successful road trip in team history, John Smoltz pitched a shutnut for 8½ innings Wednesday night, extending his scoreless inning string to 27½, and Sid Bream drove in both runs to give the Braves their 11th straight victory, a 2-0 triumph over

The Atlanta Braves, on the road

the Cardinals in St. Louis. It also put Atlanta into first place in the National League West, as Cincinnati dropped a 3-0 decision to the Chicago Cubs.

The victory was the Braves' 10th consecutive on the road, which set a club record, and gave them their first undefeated road trip, of at least six games, in team history.

When the Braves left Atlanta on July 9, they had just ended a threegame losing streak and trailed the Reds by five games. After an offday Thursday, the Braves begin a three-game home stand against the NL East-leading Pittsburgh Pirates. Smoltz scattered seven hits. walked just one and struck out five.

Second in the league in victories, he has won eight of his last nine deci-

first time since last Aug. 10-11 that-the Reds had been shut out in consecutive games. Phillies 4, Padres 0: Curt Schilling pitched his third shutout of the season and Darren Daulton hit a two-run homer as Philadelphia, playing at home, ended San Die-

double play.

It marked the 17th shutout for

the Braves this season, more than

Bream hit a 2-2 pitch over the right-field wall for his third home,

the second inning. His sacrifice fly

NATIONAL LEAGUE

who doubled and moved up on

Ron Gant's bunt single, for the

other run. Cubs 3, Reds 0: In Cincinnati

Doug Dascenzo drove in two runs

with a single and a sacrifice fly and

Greg Maddux threw a six-bitter for

shutout of Cincinnati, marking the

Chicago.

in the seventh scored David Justice.

run of the season, for a 1-0 lead in. i.

any other (eam in the league.

go's four-game winning streak. John Kruk went 2-for-4 to raise his NL-leading average to .353.

Mets 7, Dodgers 5: David Conewon his sixth straight and Orel

Hershiser lost his third in a row as Bobby Bonilla homered to help New York beat visiting Los Ange-With the score tied at 4 in the

sixth, the Mets went ahead on pinch-hitter Daryl Boston's sacrifice fly and Howard Johnson's two-Giants 4, Expos 1: Matt Williams

hit a two-run bomer in Montreal to help San Francisco snap a fivegame losing streak. Pirates 10, Astros 7: Orlando

Merced singled home Barry Bonds with the winning run in the top of the 13th as Pittsburgh won in Bonds walked with one out and

stole second before scoring on Merced's hit to right-center. Jose Lind

Weird Rally Gives Royals Victory Over Red Sox

"I apologize to the people in Boston, the fans who listened to it on

Three Stooges somewhere,"

the Royals in Kansas City.

The Royals used a strange rally to hand the Red Sox their 32d loss

in 47 games on the road this season.

Wally Joyner's lead-off double was

Red Sox manager, "They probably turned it off and tried to find the

Results in Thursday's 19th stope, a 212-kilo-meter (132-mile) race from Montiaces to Tokes: 1. Thierry Marie, Franco, Costoroma, 5 hours, 7 minutes and 15 seconds: 2. Jelle Nijdam, Nefherlands, Buckler, some firme; 3. Johan Museuw, Belature, Latio, s.J.; 4. Olog Ludwin, Germany, Panesonic, S.J.; 5. Lourent Jotobert, Franco, Once, s.J.; 6. Acade Do Sil-ton, Perhand, Festing, s.L.; 2. Glawand Latio. tion ossignment. CEVELAND—Optioned Jeff Mutts, pilcher, CC Colorado, Pacific Coost Leogue. Boughi con-tract of Rad Nichols, pitcher, from Calorado. Jotobert, Franco, Once, st.; & Acacio Do Silva. Portugal. Festina. st.; 7. Glovanni Fidanzo. Italy, Gabraca, st.; 8. Sovern Lihota, Dermark. Tullis, st.; 9. Phil Anderson, Australia, Motorola, st.; 10. Henri Manders, Aetherionas. Helvetia, st.;

Overali standings (after 18 shapes); 1. Misuel Inductus. Spoin. Banesia, 87 hours, 58 minutes and 25 seconds; 2. Claudia Chlappucci, Italy, Correro, 1 minute and 42 seconds behind; 3. Andr Homosten, U.S. Motorola, 5:07 behind; 4. Poscal Lina, Franco, RMO, 9:22 behind; 5. Glom Bugna, Italy, Gatarade, 18:09 behind; 5. Glom Bugna, Italy, Gatarade, 18:09 behind; 5. Glom Bugna, 1:30 behind; 5. Glom Rocke, Irosaczafo Perini, Italy, Carrera, 15:56 behind; 9. Siephon Rocke, Ireland, Carrera, 11:12 behind; 10. Franco Vone, Italy, GB-MG, 19:22 behind; 10. DETROIT—Put Rob Deer, outfielder, on 15-day disobled list. Sought contract of Gary

Leopue, AINNESCTA—Activated Mike Pogliaruto, third basemon, from 15-day disobled Hst. Bousht contract of Paul Abbott, pitcher, from Portland, Pacific Coast Leopue, Sent Gary Wayne, pitcher, and J.T. Brueff, outflielder, for feature.

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OAKLAND—Activated Jose Conseco and Rickey Herderson, purifielders, from 15-day disobled list, Put Scott Brosius, infleider, on 15-day disobled list, Put Scott Brosius, infleider, on 15-day disobled list, Optioned Troy Noel, Hirst basemon-unfielder, to Tocorto, Pocific Coast Leaoue, SEATTLE—Put Milke Schooler, pricher, on 15-day disobled list, retroccive to July & Recoiled Kerry Woodson, Pitcher, from Cologry, Partitle Coast Leaoue, Maked list, Actes

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FOURTH TEST

Frank Viola's 3-0 lead into a 5-3 baseman Mo Vaughn off the bag. rallied against reliever John Hayadvantage for Kansas City.

Angels 5, Blue Jays 4: In Anaban to avert a three-game sweep. advantage for Kansas City. Viola took a one-hitter into the inning. But with one out and the radio and had to watch it on television, if they continued to watch," said Butch Hobson, the Joyner on second, Gary Thurman walked and Curtis Wilkerson and

AMERICAN LEAGUE

David Howard hit almost identical

But the fans didn't have to touch balls to deep short, where Luis Rithe dial Wednesday night. Mo was vera stopped them but couldn't already on the field. Only Curly make a play. and Larry were missing as the the error plagued Red Sox fell, 6-4, to

Joyner scored on Howard's hit and Brian McRae was hit by a pitch with the bases loaded to force in a second run. Gregg Jefferies's infield out tied the score at 3, George Brest followed with a hard grounder to Wade Boggs at third, and Howard and McRae scored the only ball that left the infield and Howard and McRae scored in the second inning, as the Yanduring a five-run fifth that turned when Boggs's throw pulled first kees took a 4-0 lead. But Oakland since July 18-20, 1980.

heim, California, Junior Felix capped a three-hit performance with a tie-breaking homer in the eighth. California also got home from Chad Curio and Milwaukee hit three fifthruns from Chad Curtis and Mike inning doubles off Kevin Brown. Fitzgerald in beating Toronto.
White Sox 7, Orioles 5: Pinch

hitter Tim Raines put his team ahead with a two-run double as last outing, against Chicago, He Chicago rallied for three runs in the didn't allow a hit over the final 6% eighth to beat visiting Baltimore. Athletics 8, Yankees 5: Rickey

as Oakland beat visiting New York. Matt Nokes hit his 13th bome run of the season, a three-run blast 71/2 innings as Detroit completed its hit a ground-rule double with the

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

ban to avert a three-game sweep. Navarro, who walked two and struck out two, had taken a no-

hitter into the eighth inning in his innings Wednesday. Twins 2, Indians 1: Brian

Henderson tripled bome the rying Harper's one-out single in the ninth the 13th run in the eighth and Carney Lansford followed with a two-run homer Minnesota beat visiting Cleveland.

Bonds visiting Cleveland. Minnesota beat visiting Cleveland. Tigers 3, Mariners 2: Bill Gullickson yielded only three hits over

League, CHICAGO—Recalled Alex Fernandez, pitcher, from Vancouver, Pacific Coast League, Assigned Don Pasaya, outfielder, to ADVERTISEMENT -**INTERNATIONAL FUNDS** 1053.00 1166.05 4361.35 5277.39 2177.90 2465114.00 5371.30 5371.30 5371.30 6802.65 571514.00 761.95 1022.93 7871.11 1020.17 1020.30 1027.35 314.09 776.05 w Volbood - USD (Lux) ______ S b Eur, Opportunity | Lux1 ____ Ecu b European Indexed Fg (Lux) Ecu b European Indexed Fg (Lux) Ecu b Globol Volue (Lux) Quant, Ecu b Globol Volue (Lux) Quant, Ecu b Globol Volue (Lux) Guant, Ecu 13.34 25.84 23.06 18.89 16.99 14.05 123.84 9.54 1.72.66 8.97 9.39 10.81 9.18 9.18 9.18 INTERNATIONAL INCOME FUND 36,4527 Long Terme CU FUTURES PLC (4477 225 \$911) w Tokyo Poc, Hold, N.V. S PRISM ASSET MARAGEMENT (272) 302-1032 odvisor to : d Prism Futures Fd. 3 d Alex Fund Ltd. 3 d Roinbow Finites Ltd. 3 d Hormanic Futures Ltd. 3 d Prism Symergistic Enjour. 3 d Violar Putures Ltd. 3 d Violar Violar Futures Ltd. 3 d Rogent Futures Ltd. 3 w Collonder F-Scomist — Pig w Collonder Swits Growth — SF CAPITAL HATERATIONAL W Coeffel Intil Fund — SI W Collonder Swits Growth — SF CAPITAL HATERATIONAL W Coeffel Intil Fund — SI CAPITAL HATERATIONAL W Coeffel Intil Fund — SI W GFI Long Terme — FF JS CIC GROUP J Oblicic Court Terme — FF JS CIC GROUP J Oblicic Court Terme — FF CIT CORP INVESTMENT BANK (LLL POR 1373 LUSORNOSON Tel. 477 K J Climinest Monat Growth — SE J Climinest Monat Growth — SE J Climinest Monat Growth — SE J Climinest Monat Growth — SI J Climinest Monat Monator — SI J Climinest Monat Monator — SI J Climinest d Colegory A. A. A. Colegory B. A. Colegory B. CANADIAN DOLLAR PORTFOLIO PUTHAM d Emerging Hith Sc. Trust S d Putham Glob, High Growth S d Putham Glob, High Growth S d Putham High Inc. GMA SG d Putham High Inc. GMA SG 1190.74 1177.97 1096.29 1091.43 1552.97 1453.46 210.54 407.400 104.42 161.87 175.97 17 99.80 91.50 16.09 12.19 11.19 9.81 11.97 US DOLLAR PORTFOLIO d Cotesory A d Cotesory A d Cotesory B STENDER FOLIO S COTESORY A COTESORY A COTESORY B CO 12.9£ 12.97 1 LTD 124.78 d Class B TERMINVEST Tel: 40.792.49 Doof Futures Fac O Units s m Galaxy Futures Fac O Units s m Galaxy Futures Fac O Units s m Galaxy Futures Fac I o Units s m Galaxy Futures Fac I o Units s m Galaxy Futures Fand Life. Down d Pucif into Write Fac SA DMD DM d Eastern Crusoder Fund ... S d Thornton HG Galaxy Fac. s d Thornton Phila Review, Fac. s d Thornton Phila Review, Fac. s d Thornton Phila Review, Fac. s d Thornton Tiber Factor, Fac. s d Thornton Tiber Factor, Fac. s d Indonesia. S d Indonesia. S d Indonesia. S d Indonesia. S Saulti Growth ... S d Tokyo Pocific Hides (Soc)...S SAFRA REPUBLIC NOLDING Res, Geney Dollar Inc FdS Wiss, Geney Dollar Inc FdS Wiss, Geney Dollar Inc FdS Wiss, Geney Evrope Inc FdDM Wisself GAM Footh... Wisself GAM Footh... Wisself GAM Footh... Wisself GAM Entrope Fd.S Wisself GAM Entrope d Closs 8 9.53 d Closs B 10.44 MERRILL LYNCH MLT NATL INV PFL EQUITY / CONVERTIBLE SERIES BASIC VALUE PORTFOLID Q Closs A 10.44 11311 10460 EQUITY / CONVENTIBLE SERIES BASIC VALUE PORTFOLIO d Closs B SALO VALUE PORTFOLIO d Closs B CONVERTIBLE SECURITIES PTFL d Closs A G Closs A G Closs B EURO EQUITY PORTFOLIO Closs B EURO EQUITY PORTFOLIO Closs B G Closs 237,44139 15,74037 15,05030 1084,02748 9,71041 13,99410 4719.19 1697.45 413.4 113.4 123.6 114.5 131.13 6.00 71254.6 9.22 7.99 7.40 8.98 19.44 4.24 KEN 14.49 12.27 12.27 12.06 12.06 12.06 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 10.40 10.55 1070,19 549,83 265,51 93,93 1083,41 10,59 MULTIMAMAGER N.V. WAMPRICAN GROWN FG S 11,22 WENTORON CUTT. BORD FG EQU 11,55 WENTORON CUTT. BORD FG EQU 11,55 WENTORON CUTT. BORD FG EQU 11,55 WENTORON CONTROL S 11,23 WENTOR CONTROL S 11 d Procilic S d Singapore / Malaysia SG d United Kinodore SG d United Kinodore SG d Debtack More Reserve DM d Debtack More Reserve DM d Debtack More Reserve SG d Debtack More Reserve SG d Debtack More Reserve SG d Filman France SG d Filman SG d Countries SA d Countries SA d Countries SG d C 350.45 15.48 38.15 Other Funds 30.78 177.43 9582.80 13285.08 14.89 10.55 19.55 14.55 14.55 14.50 14.50 12.52 13.45 13.45 14.45 14.45 14.45 607 907.17 # 1207.11 144.51 14 974.51 974.51 111.96 111.96 107.45 107.45 107.45 107.45 107.45 107.45 107.45 404 5538 1387 8.96 13.33 49.43 370 18.77 5.31 11.74 11.74 11.74 11.74 11.74 11.74 11.74 11.74 11.74 11.74 4.53 10.72 10.20 11.41 10.49 11.17 992.54 2001.20 1144.99 1879.93 1677.93 1654.07 273.25 43 LTD 1234 444,30 148,44 250,27 44.22

SPORTS OLYMPIC

Also Watched at the Games, **Issue of Growing Drug Use**

By Michael Janofsky

New York Times Service
BARCELONA — Of all the images of the 1988 Summer Olympics in Seoul, it is a haumting image that remains most deeply burned in memory: Ben Johnson, the Canadian sprinter, testing positive for an anabolic steroid two days after he set a world record in winning the 100-meter final.

The episode sent a clarion call to authorities throughout the world on the continued use of performance-enhancing drugs in sports. As a result, many countries and federations expanded their programs to include what many experts cited as the key to driving cheaters out of the arena: short-

Hong nost

notice, out-of-competition testing. Yet as the long wait for the 1992 Summer Olympics comes to an end, evidence cootinues to show that despite all the increased official effort and improving technology, drug use hy athletes not only remains a high-profile problem, but appears to be spreading.

This year, for the first time, athletes from Africa, including the leading female 400-meter runner in world this season, Charity Opara of Nigeria, and her teammate, Chioma Ajunwa, the African women's 100-meter champioo, were found to have tested positive for performance-enhancing sub-

They joined a growing list of prominent athletes caught failing a drug test since the scandal in Seoul. Among these are world-record holders like Butch Reynolds (400 meters) and Randy Barnes (shot put) of the United States; Astrid Strauss, a 1988 silver medalist in swimming for East Germany; Det-lef Hofmann, a world-champion canoer from Germany; a group of Bulgarian weight lifters and a slew of former Soviet athletes, including Natalia Grigoryeva, the hronze medalist at the 1991 world championships in the 100-meter hurdles, and Natalia Artimova, a leading 1,500-meter runner.

Donald Catlin, the director of a drug-testing laboratory in Los Angeles and a member of the International Olympic Committee's anddoping commission, estimated that overall drug use might be diminishing particularly in the United

Peekaboo!

BARCELONA - Athletes being tested here will give urine samples in mirrored cubicles with an official looking on.

"The whole procedure has been designed to avoid any kind of tampering," said Ra-fael de la Torre, deputy direc-tor of the testing laboratory.

The precautions highlight what de la Torre called the "paranoia" among testers about the increasing recourse by athletes to civil courts to

'In the United States, everybody goes to court because there is so much money involved," he said. "In Europe it was different, but now more and more cases are going to court."

States, Scandinavia, Australia and England - places that have been most active in adopting out-of-competition testing programs. But other areas of the world wor-

ry IOC officials, particularly regions that have undergone recent political change - the former Soviet Union, Germany and Eastern European countries once within the Soviet sphere of influence — and South America, where only limited testing is conducted. .

"Worldwide, I feel we're making have washed out of the system. real progress," Cathin said. "Drug use is down; I'm quite convinced of that. But we can't pretend the problem is over. Clearly, in some countries, there is still a lot of work to

do. In some areas, we have oo dop-ing controls at all."

Would-be cheaters are in constant search of new substances that cannot be detected by a laboratory analysis of urine — like erythropoietin, for instance, a hormone that enriches blood with oxygen, and human growth hormone.

And some users are sophisticated enough to know how far in advance to take drugs for training so that their traces have washed through the system in advance of a test, even one on short ootice.

banced substances of choice among many athletes. But the latest fad, according to Catlin, is substances that work like steroids, and they have led the IOC to adjust one critical phase of its testing for the Games in Spain.

A growing number of male athletes, he said, are taking extra epitestosterone, a hormone that exists in the body naturally, to keep it in a proper oumerical relationship with illicit testosterone, a bormone that also exists in the body but can be replicated synthetically to enhance muscle development.

Testosterone and epitestosterone occur in the body naturally, usually within a close ratio of about 2-to-1 Until this year, the IOC regarded most cases in excess of 6-to-1 as evidence of synthetic testosterone; thus, the test results were regarded as positives. But testers are now finding unusual concentrations of

both substances, which suggests that epitestosterone has been taken

to push the ratio down. For these Games, the IOC antidoping commission has decided to make anything above 10-1 an auto-matic disqualification and to delay any immediate sanction for ratios

above 6-to-1, pending evaluation. While that might appear to be a softening of the rules, it actually has the opposite effect. The commission would have the right to test the athlete again the oext day, when the epitestosterone would

Also, any amount of epitestos-

terone above a certain level is oow grounds for automatic suspension. "If we have a 7-to-1 on the first day and another test shows 1-to-1, that athlete will probably be punished," Catlin said. "Then, once sports adjust, we'll be able to lower the window, to 5 and 10, or 4."

During these Games, 1,870 drug tests will be administered, about one for every six competitors. Catlin and others have predicted only a few would be positive, mayber few er than the 10 in Seoul. That could mean that testing efforts are scaring athletes.

More likely, it means most athirough the system in advance of a letes using drugs are smart enough st. even one on short ootice.

Most drug testers agree that anatruth," said Cattin, "is probably bolic steroids, the drugs that en- somewhere in between.



Two security personnel work on a mini-submarine, which along with anti-submarine nets and 12 navy ships will enforce a 12-mile exclusion zone around the city's port.

Security Strict in Barcelona

United Press International BARCELONA - The final pieces of a

vast air, land and sea security operation are in place to protect the Olympic Games from terrorist attack, if not pickpockets.

Almost every street corner in this city now appears to be guarded by blue uniformed police officers wearing bullet-proof jackets and carrying shotguns and machine guns. "The spectators ought to feel happy be-

cause they will feel protected against the possibility of attack," said Interior Minister José Luis Corcuera Cuesta. About 45,000 police and soldiers are

pread throughout the city and the main Olympic area of Montjuic is guarded by a ring of armored vehicles. The sound of police helicopters clattering

around the city has become almost constant and a huge Zeppelin spends the day circling slowly over the rooftops. Officials of the Barcelona government,

which has ultimate responsibility for security, believe that many of the worst threats to the Games have diminished in recent months. At the top of the list was the Basque separatist organization ETA. But arrests in March and April of the ETA's leadership in raids conducted by French police is believed

to have senously weakened the organization.
"We do not think ETA is such a threat

now," said the civil governor's security spokesman, Eladio Jareno. "But obviously we cannot promise anything. A series of arrests this month is believed

to have taken the sting out of the Catalan separatist group Terra Lliure, which has bombed government buildings in recent

But with the killing of Israeli athletes during the Munich Olympics of 1972 in mind, Jareno said, special attention will be given to members of certain teams.

"We are treating some countries as special cases," he said. "Apart from Israel and certain Arab countries, we are also including Bosnia and the other former Yugoslav states

in this category."

Despite the heavy security, the police report an increase in petty crimes in the city as criminals from around Spain and the rest of Europe come to "work" the Olympics. Gangs discovered in recent weeks include one from Italy that hoped to steal luxury cars and drive them to Germany, and one from South America that specialized in breaking into apartments and hotels.

One of the first victims was the Swiss artist Hans Erni, who was museed this week shortly after leaving a ceremony in which he was awarded a medal for his contributions

Hampsten: King for a Mile Dreams a While

By Samuel Abt

ntional Herald Tribune TOURS. France - Dreaming about a place on the victory podium when the Tour de France ends Sunday in Paris, Andy Hampsten oevertheless insists that he is treating the world's greatest bicycle race as

"I oo longer look on the Tour as the only race," he says. "I no longer feel that if I doo't do well here, my season's been a failure. That pressure is off.

"So oow it's just another race." Hampsten, an American rider for Motorola, began grappling with this insight two years ago. Only now, after his victory in the big climbing stage at Alpe d'Huez last weekend, does he feel he has it in a hammerlock.

"It took a while," he admits. He also credits his physical maturity at the age of 30, a new sense of relaxation and confidence plus a winter spent in Europe, instead of back home in Boulder, Colorado, in heavy duty training.

They all add up to a changed rider in the Tour, where he has oever finished better than fourth. That is far below his victories in the Giro d'Italia in 1988 and in the Tour of Switzerland in 1986 and 1987.

ished fourth in the 1986 Tour.

He did worse the next three years: 16th in 1987, 15th in 1988 and 22d in 1989. In 1990, when he began trying to relax and not overestimate the Tour, he finished 11th. Last year he was eighth and now he ranks

The Motorola rider easily held that spot Thursday as the 130 remaining riders went 212 kilometers (131 miles) over flat and picturesque countryside from Monthuçon in the center of France to Tours.

Thierry Marie, a Frenchman with Castorama, won only the second mass sprint of the Tour, edging the few other sprinters who survived the Alps. Jelle Nijdam, a Dutch-man with Buckler, was second and Johan

Musecuw, a Belgian with Lotto, was third. Marie finished in 5 hours, 7 minutes, 15 seconds, the same time as nearly everybody else. Once again the pace was high: 41.3

The pack stayed mostly together as it passed such eyefuls as the renaissance fortress in Culan, the equally old châtean in Montresor and hundreds of fields of stunt-

Hampsten was a 24-year-old rider in his ed smrllowers finally catching some rays second year as a professional when he fin- after weeks of rain and clouds. Miguel Indurain of the Banesto team continued untroubled in the overall lead-

er's yellow jersey, 1:42 ahead of Claudio Chiappucci of Carrera, with Hampsten third, 8:7 behind Big Mig. Friday should decide whether Hampsten is one of the three riders to mount the

podium on the Champs-Elysées. A 64-kilo-meter time trial is on the calendar then and Hampsten is just a middling rider in the individual race against the clock. Worse, he is 1:15 ahead of the fourthplaced Pascal Lino, who in July beat

Hampsten by 4:23 in a similarly long time trial in Luxembourg, Lino, a Frenchman who tides for RMO, was then in the yellow jersey, however, and it is known to give a

Despite his 56th place, to Lino's sixth, behind Indurain in that time trial, Hampsten is hopeful he can hold third place. Most of his winter was spent at the Rowing Chub of Como in Italy to bolster his time-trialing skills.

"I did rowing, power work, a lot of gym work," he said. "It's going to help me

everywhere but it's aimed specifically at time trialing.
"I still know, though, that I'll lose time

on the favorites." One of those favorites before the Tour started July 4, Gianni Bugno, is in fifth place, 2:2 behind Hampsten. He is also a threat since he beat the American by nearly five minutes in Luxembourg.

Surrounded by fans and photographers at the Motorola team car, Hampsten discussed his strong showing at Alpe d'Huez.

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"Physically I'm vey well prepared and healthy," he said. "A lot of that is maturity—my body is able to handle it now.

"So I'm more relaxed because I'm more confident that physically I'm stronger. I know what to do and, if I'm riding well, I'm motivated to do well."

But glow from becoming king of the Alpe d'Huez mountain did not last long.

"I celebrated for all of two kilometers while we went slow" on the next day's stage, he said. "We were going 20 kilometers an hour and I felt like a king.

"We all know each other very well in the pack but there's a lot of competitiveness, and being congratulated by people was really nice.

"It only lasted for two kilometers but it

LIES COME IN

COLORS?

BOOKS

BAND OF BROTHERS:

E Company, 506th Regiment, 101st Airborne From Normandy to Hitler's Eagles Nest

\$25. Simon & Schuster, 1230 Avenue of the Americas, New York, New York

Reviewed by Richard Harwood

THE small unit chronicle, either fic-L tion or confiction, is undoubtedly the most effective and moving way to tell the stories of wars and warriors. In the confiction genre, the best of all memoirs is probably the cri de coeur of the Canadian, Farley Mowat, who wrote "And No Birds Sang" 35 years after World War IL It is his own story and the story of Able Company of the Hastings and Prince Edward Regiment in the Italian campaigns in 1943 and 1944. "I wrote this book," he said, "in the absolute conviction that there never has been, oor

ever can be, a 'good' or worthwhile war." That is not the perspective of the historian, Stephen Ambrose, in this chronicle of a paratroop company dropped into France on D-Day in 1944. Eleven months later, to mark the end of a dreadful journey, the survivors drank themselves comatose with wine and champagne from Hitler's cellars at Berchtesgaden. There had been 140 of them at the formation of their outfit - Easy Company, 506th Parachute

ty-eight of them were killed, more than 100 were wounded and all, as Ambrose puts it, had given to the war "the best years of their lives."

Ambrose was only 10 when the war . By Stephen E. Ambrose. 335 pages. ended. "Like many other American men my age," he writes, "I have always admired - nay, stood in awe of - the GIs. I thought what they had done was beyond praise. I still do." Through many nterviews and meetings, he became intellectually and emotionally involved with these older men but he has oot written a fairy tale of heroes without hlemish oor has he romanticized what they did.

As "citizen soldiers" plucked out of shoe stores, farms, coal mines, factories and colleges, they were capable of acts of great courage and selflessness, acts of kindness. They endured severe hardships and underwent battlefield stresses that are incomprehensible to those who never walked in their shoes. But Easy Company had another face as well, a face no less true of Everyman in every war.

These American boys were capable of great cruelty to civilians and to enemies in uniform. They sometimes murdered and looted indiscriminately. Some were cowards, if that is the right word for the frightened lad who can't go on. Some

were alcoholics; some martinets.
There was a platoon leader, Ron
Speirs, who transferred into Easy from another company where, it was said, he shot dead an insolent and insubordinate

Regiment, 101st Airborne Division. For- soldier. On another occasion, he came across a group of 10 German prisoners of war who had been put to work cleaning out a ditch. Spiers got out of his Jeep, offered the Germans eigarettes for which they were most grateful. He gave them a light so they could smoke. And then he killed them all with an automatic weap-

Others in Easy Company — its com-mander, Dick Winters, for example — deserved sainthood. He loved and protected his men, leading them through many valleys of death and today retains their affection and their admiration.

So much that was done in the war by Winters's company may seem inexplica-ble or even despicable to many who read this fine and very honest book. Some understanding is imparted by a poem written by Farley Mowat's company commander, Alex Campbell. He was known as a gallant officer and his poem, written shortly before his death, was a confession and an act of contrition for having offended God:

I am alone and weak and scared And wonder how I ever dared Accept the task of leading them. I wonder, worry, then I pray: Oh God, who takes men's pain away, Now in my spirit's fight with fear, Draw near, dear God, draw near, draw

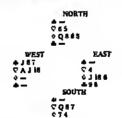
Richard Harwood, a former ombuds-man for The Washington Post, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

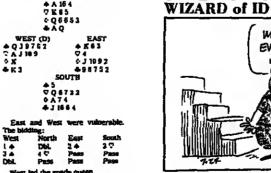
HE diagramed deal helped decide a close quarterfinal Woman's Teams match in Corpus Christi, Texas, in mid-June. Randi Montin arrived in four hearts. She won the opening spade lead in the dummy and led to the diamond ace. She finessed the club queen and

cashed the ace to collect the king. She ruffed a spade and led the club jack, ruffed by West with the heart nine. Dummy overruffed with the king and the last spade was ruffed to reach this posi-



South already had seven tricks and oceded three more. When she led the club ten, West was helpless. She discarded a spade, allowing the club ten to win. Now a diamond was led, and again West could not afford to ruff. She discarded her penultimate spade and the diamond queen won. South could lead any red card from the dummy, and eventually score the heart queen as her 10th

The same contract failed in the replay, undoubled, and Montin and her teammates gained 12 imps and eventually won the match by 7.



DOONESBURY

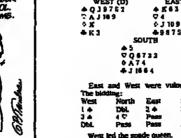










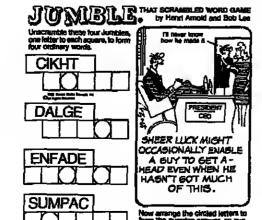


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EVER BUY ME



CALVIN AND HOBBES







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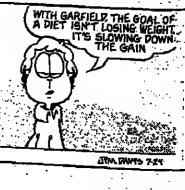
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overnor's security to "But obviously ing." out of the Catalan Lliure, which has utildings in recent of Israeli athletes ympics of 1972 in ial attention will be

nain teams. countries as special from Israel and cer-e are also including mer Yugoslav states curity, the police re-crimes in the city as

Spain and the rest of ork the Olympics. ecent weeks include oped to steal luxury Germany, and one that specialized in ctims was the Swiss vas mugged this week eremony in which he for his contributions

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Bugno, is in fifth psten. He is also a American by nearly VOL 12 and photographers car. Hampsten dising at Aipe d'Huez.

well prepared and % of that is maturity handle it now. a because I'm more in m stronger. I

coming king of the a did not last long. ef two kilometers on the next day's me some 20 kilome-LAS 3 KILE. occer very well in the : desirentiveness,

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1989, he said recently he was think-ing of running again because of a recent book that harshly criticized him and the Olympic movement. Earlier, Anita DeFrantz of the United States, a former Olympic rower, was elected to the IOC's powerful executive board. But the IOC postponed the elec-tion of a second U.S. member. DeFrantz becomes the second woman on the 11-member board, joining Flor Isava-Fonseca of Venezuela. DeFrantz, the first black woman appointed to the IOC, is the first black woman elected to the

Climbing the Path to Olympus: An Event in Itself

By George Vecsey
New York Times Service

BARCELONA — Put on your walking shoes, we're going to the Summer Games. These Games are not just for the fans with tickets. The most popular event in Barcelona now is climbing Montjuïc, and feeling part of these Summer

On Saturday, the Games will be officially opened in Estadi Olimpic, where the track and field events will take place later. Also perched near the top of Montjuic are the swimming and diving pools, and an airy modern arena for volleyball, gymnastics and team handball. Some historians say the mountain is named after Jove or Jupiter. Others say it was named for the Jewish

of pilgrims make their way up the hill. Let's do it. Come out of the metro at the Placa d'Espanya. Walk past twin towers, down Avinguida de la Reina Marina Cristina, a couple of football fields in the hot afternoon sun. Walk past police officers with automatic weapons staring very intently at you.

Try oot to gulp.

cornetery that once was there. Either way, thousands

Many of the pilgrims speak the language of Catalan, which sounds something like Spanish and French and Portuguese all mixed together. Many of the older people can remember how their Catalan culture was forbidden by the Franco regime, but now the street

signs and the metro signs are in Catalan.

Take an open escalator, cross a bridge over the street, walk down 20 steps to a plateau where people are drinking coffee in the shade. The oext escalator is not working, so we walk up 24 steps, to the second level, past exotic towers at the Palau d'Esports de Barcelona. Then three sets of five steps each. Past Olympic workers receiving their color-coded uniforms for the Games. Past bubbling fountains, up two steep

on Saturday, the entire works will hear Catalan when Mayor Pasqual Maragall, and Juan Antonio Samaranch, the president of the International Olympie Committee and a native of Barcelona, make their opening remarks. (However, King Juan Carlos, in inaugurating these Summer Games, will speak in the classical Castilian.) As they make the long trek up Montjuic, these Catalans are enormously proud of feeling at the center of the world.

Now we have reached the Passeig de les Cascades.

Time to stop for bottle of Fontdor mineral water with a plate of snappy stuffed olives and sit under a red umbrella and read the local papers. I cannot read now to see the fantastic spires of Antoni Gaudi's and read the local papers. Avni, or Today, the Catalan language paper, but I will read El Pais, one of the best Spanish papers.

The politics of the Summer Games continue

Iordi Pujol, the president of the Generalitat, the Catalan assembly, is defending spending approximately \$5.6 million in publicity and advertisements

With all the surging pride of the Catalan people as hosts of these games, Maragall has had to warn his fellow Catalans that the Games "belong to everybody." Two more escalators up to a fifth platean, 300 meters past tents being stocked with refrigerators for parties that are to come, up to the Museu d'Art de Catalunya. A guard wags his finger to signal the entrance is closed. Workmen are laying lush green sod and cleaning the steps, so Barcelona will glisten Satur-day on worldwide television.

The city itself has been transformed in the past generation. Coming out of the dark ages of the Franco years, it is now a blend of historic sections and stylish

seem even more surly and sterile.

Turn around and look down. We are high enough now to see the fantastic spires of Antoni Gaudi's unfinished church. La Sagrada Familia, shimmering oo the right side of the city. In the distance is the other mountain, Tibidabo.

But we must keep moving. Up another escalator, up a sidewalk to the level of Estadi Olimpic, built in 1929 with hopes of holding the 1936 Summer Games, which went to Berlin instead.

The stadium has been renovated, and the huge dish on the north end awaits the Olympic flame.

Five women from Sheffield, England, praise the lush classical music being tested on the sound system. Two women from Poland ask me to take their picture. A television crew from Hungary is unpacking its gear. A Japanese broadcaster is doing a standup with the

I hear German and French and Italian and Castilian and Catalan. The whole world is climbing up Mont-juic. I spot a red public bus stopping in front the

Getting a Head Start: Games Kick Off With U.S.-Italy Soccer

By Filip Bondy
New York Times Service

BARCELONA — Olympic organizers, leaving no gimmick unturned, thought they finally had discovered something

snappy about the U.S. soccer team.

The Americans, who have the honor of opening the competition Friday night with a match against Italy, have a midfielder named Cobi Jones. The mascot of these Games happens to be a dog named Cobi.

There was a great stir at this cosmic coincidence, and then several workers were dispatched Thursday to inflate a giant balloon of Cobi the mascot at midfield in the Barcelona Football Stadium, Jones was to pose there, on soccer's sacrosanct soil, Cobi a Cobi.

The Cobi balloon was launched. Journalists gathered beneath. Camera crews sweated impatiently on a perfectly cropped soccer pitch. But the U.S. team, and Cobi Jones, never showed. They were mistakenly taken from their training center in Zaragoza straight to the Olympic Village by an overzealous police escort. Two hours later, Cobi, the mascot, was deflated without the pleasure of meeting his counterpart.

last year following disclosures of possible conflicts of interest in his This is a bad start," said Xavier Fornt There was one other candidate Alsina, an Olympic organizer and one of 100,000 paying members of the Barcelona Football Club. "I hope it's better tomorfor the post, Jan Staobo of Norway. Sources said DeFrantz won by 65

Also elected to the executive Alsina, and many others here, are justiboard were Richard Pound of Canfiably concerned about the health of a ada, the IOC's top marketing offi-cial, and Ashwini Kumar of India. soccer tournament that is to be played at four venues, 200 miles (325 kilometers) Un Yong Kim, an executive board member from Korea, was elected as an IOC vice president. apart. There are still a lot of unsold tickets for the matches, and the local population does not seem to be a bit enthralled by the He defeated Chiharu Igaya of Japrospect of an under-23 competition not involving its beloved first-division team, Barcelona, or its hated rival, Real Madrid. pan. There are four vice presidents on the executive board. (AP, NYT)



Members of the U.S. swim team gathered for a little cheer for themselves before practice Thursday in the Olympic pool.

championship this spring, and won its league title on the final day of the season with a victory over Atletico Bilbao. About

Barcelona won the European club figure to be on hand for the Italy-U.S. said that playing in the Games' opener spoiled rotten about their soccer.

match on Friday. Catalan spectators are his team's match and three in the evening, poiled rotten about their soccer.

Such low expectations have not put a against Kuwait and Egypt against Qatar, 130,000 fans stuffed into the stadium for fatal damper on the spirits of the Ameriare being played before the opening cerethat match, but only one-third that many cans. Lothar Osiander, the U.S. coach, monies because of a crowded schedule —

was a great honor. Playing against Italy was another one.

"I think without a doubt the Italians are the favorites to win the entire tournament," Osiander said. "Hopefully, they'll be very friendly with us, because we really want to be friendly with them. We remind them that Christopher Columbus discovered America and now we want to discover Italian soccer on a very friendly basis.

Hopefully, they won't crucify us."
The Italians will not dress most of their top young players for the Olympics, but they have at least two, midfielder Demetrio Albertini and goalkeeper Francesco Autonioli, with a future on the national

"The Italians don't worry about the Olympics," said Marco Galdi, a sports-writer with the Italian National Press Association. "But they still follow it. They follow every third-division match."

The Americans will play without both defender Alexi Lalas, a top marker from Rutgers who has a broken foot and is out of the tournament, and without the World Cup veteran Chris Henderson, a midfielder with a strained knee.

With such problems in the rear, and against such a technically strong oppo-nent. Osiander has decided to go for defensive speed instead of scoring power. He will start Jones, Dante Washington, and Yari Allmutt on the attack, benching his top scorer Steve Snow in a surprise move. "We need somebody who can defend and have speed on top," Oxiander said.

A scoreless match would not sit well with the locals, who are already impatient to watch Spain's soccer debut later Friday night at Valencia. Two players for Spain, Albert Ferrer and José Gnardiola, play for FC Barcelona, Around Catalonia, that is

If Magic Does Return, Lakers Not a Shoo-In

board. She has been an IOC mem-

the four-year term of Robert Hel-

mick, the former U.S. Olympie

Committee president. Helmick re-

signed from the USOC and IOC

She will complete the last year of

ber since 1986.

business dealings.

votes to 20.

U.S. diver Marie Ellen Clark, rising to the occasion on Montjuic.

Questions Remain

Compiled by Our Staff From Dispatches

tional Olympic Committee formally ratified Thursday a plan for Yu-

goslav athletes to compete as

The accord, which bans Yugo-

slavs from team competitions in compliance with UN sanctions,

was approved by the full IOC ses-

sion, said the director general,

The IOC also granted provisional recognition to the Ofympic com-mittee of the former Yugoslav re-

public of Bosnia-Herzegovina,

allowing its athletes to compete un-

der their flag. But UN officials in Sarajevo-

made a last-minute decision

Wednesday to cancel a flight carry-

ing Bosnian athletes to Barcelona. The UN officials said the Bosni-

an delegation had to be cut to 10 members - two athletes and eight others - from 27, before the plane

had been received on whether the

The IOC also accepted the par-ticipation of competitors from Macedonia, another former Yugo-

slav republic. Those athletes will wear white uniforms and compete

under the Olympic flag and an-

them. They will not take part in the

tennis, rowing and relay squads re-mained unclear.

Spanish government.

his term expires next year.

The surprise announcement ame at the end of the IOC session

Samaranch, 72, who has been IOC president since 1980, had re-peatedly said he would wait until

after the Barcelona Games to de-

ide whether to seek another term. Re-elected by affirmation in

dispute had been resolved.

individuals in Barcelona.

François Carrard.

BARCELONA - The Interna-

On Yugoslav Teams

By Harvey Araton

New York Times Service

MONTE CARLO — If Magic Iohnson decides to resume his ca-reer in the National Basketball Association after the Olympics, a de-cision he is not yet close to making, it will not necessarily be with the The status of Yugoslavia's table Los Angeles Lakers.

"The United Nations gave a list of activities in which the athletes "I'm looking for wherever would would scriously contend for the championship. Of the Lakers, he said: "I'm still tied there, but which may participate," said Carrard. He said the IOC must consult with the The team ban complies with the UN Security Council sanctions imposed May 30 to punish Serbia for its aggression in Bosnia. way are they going? Are they going

Later, the IOC's president, Juan Antonio Samaranch, declared that he is ready to seek re-election when Reynolds Is Facing Further LAAF Ban when Maurice Herzog, a French member, asked whether Samar-anch planned to run again.

BARCELONA — World re-cord-holder Butch Reynolds, who defied an international suspension by competing in the U.S. Olympic Trials, faces another two-year ban, unless he repents, it was learned

Thursday.

"If he stops all his legal action and regrets what he has done so far, he has a chance of being par-

doned," said a source, who spoke on condition of anonymity. Whether Reynolds, the 1988 Olympic silver medalist in the 400 meters, is pardoned or has his sus-pension extended will be decided July 30 at a council meeting of the International Amateur Athletic might affect his decision, be said, is

To be pardoned, he would have to drop his lawsuits against the IAAF and The Athletics Congress, the U.S. governing body for the sport, the source said.

NBA commissioner, David Stern, when he returns to the United States to discuss possible opportunities for him to head a group that would buy an existing NBA franchise.

A natural place for Johnson to play would, at least on the surface, be in New York for the Knicks and his old Laker coach, Pat Riley, Particularly after the acquisition of Rolando Blackman, 33, the Knicks are determined to contend scriously next season, and the addition of Magic Johnson to deliver the ball to Blackman, Patrick Ewing and Xavier McDaniel certainly would

Despite whispers that Johnson was weary of Riley and his marathon practices by the time Riley left Los Angeles two seasons ago, John-son might have a difficult time passing up an opportunity to finish his career in Madison Square Garden. In fact, he mused about play-ing in New York a couple of years ago, before he contracted HIV, the virus that causes AIDS, and retired

"Don't get me wrong, I wouldn't mind playing for them," he said. "But I don't see how I would get there. They've already got the two

He meant the point guards Mark Jackson and Greg Anthony, al-though the Knicks aren't in love with either and are entertaining thoughts of using Anthony to trade for a forward.

For the time being, it is all sup-position, as Johnson said he would at down with his wife, Cookie, and doctors later this summer to make Federation, the world governing a meeting he will have with the body of track and field.

NBA commissioner, David Stern,

Olympic TV Listings Tomorrow

Television listings and the schedules of events that will take place
Saturday, Sunday and Monday will appear in tomorrow's International Herald Tribune.

Television listings and the schedules of events that will take place
Saturday.

Television listings and the times of competitions for the following two days will be published daily throughout the two-week Summer

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OBSERVER

Fire in the Esophagus

By Russell Baker

N EW YORK — My handlers said the wife had to go. It would have angered me once, before I learned what it takes to be president. Now I said, "Got to go, huh?" And they said, "The polls have spoken. America can't stand her."

If you want to be president and wow! Do I ever want to be president! — you must obey your handlers. "Changing her name from Flossie to Emily," I asked, 'didn't help her polls?"

In Iact, said my handler, dropping the Flossie had cost her Iour points among over-60 voters. They were old enough to remember when people had mothers named Flossie. They thought my wife's switch to Emily was an insult to motherhood.

"I hate it, my wife having to go," I told my handlers, who scowled at me, no doubt thinking I didn't have fire in the belly. So I said to them, I said: "Just kidding, guys. You say the wife's got to go, she goes. As far as I'm concerned it's 'So long, Flossie, it's been good to know you.'
Because, wow! Do I ever want to be president!"

You've got to handle handlers with a velvet touch or they'll quit handling you, then what have you got? Catastrophe unmitigated: exhandlers telling the media buzzards you don't want it bad enough, don't have any fire in the esophagus, much less the belly, and a guy who won't obey his handlers, what kind of president would he make anyhow? America's lucky your handlers found out what a wimp you were before they started marketing you.

My good old Mom - bless her even though she's still lost back there in the Arthur Godfrey age she was shocked when I first brought my handlers home to shape ber up.

"Did you say they're handlers, Bub? You need handlers?" "Can't be president nowadays without handlers, Mom."

"You're spoofing good old Mom, aren't you, Bub? Elephants have handlers. Giraffes, camels, zoo creatures, they have handlers, Don't you have any more brains

than a poor caged beast, Bub?"
The handlers told me to tell Mom to button her lip and go to makeup, then to ghostwriting where my wordsmiths would fit her out with a new biography which my speech teachers would train her to emit in

seven-second but heartbreakingly touching sound bites. "And tell her

to keep it buttoned until we assign her a full-time lip handler."
So I said, "Keep your lip buttoned, Mom, because - wow! Do I ever want to be president!"

Mom's lip handler has her under control now, so she's quit telling every TV buzzard who rams a camera up her nose that her son hasn't got any more brains than a caged giraffc.

She was so excited about a crack at the first mother job that she didn't scream when my handlers told her she'd have to change her name from Peaches to Rose Marie. They're hoping to get a bump in the blue-rinse-and-rheumatism vote by spreading enough payola to bring back Nelson Eddy's recording of

"Rose Marie, I Love You." My wife is not so cooperative, however. What a big deal she made of changing her name from Flossie. It was like she didn't have any fire at all in the belly. Then all that whining about giving up her partnership in Asham, Masham, Sushi & Kaminsky. My nandiers were mee to her, too. Explained it so clearly.

Flossie," they said, "the polls show Americans hate to see a wife pulling down multimillion-dollar bonuses from investment banking when she can't even cook macaroni and cheese.

"You mean I've got to quit being Flossie, drop out of this merger deal with Consolidated and Systemics Galore, and sit home cooking macaroni and cheese?" she threatened. She did what was right, though, after I gave it to her straight from the shoulder.

"Flossie," said I, "in me you see a man who never admired George Bush so much as on the day he said, 'I will do what I have to do to be re-

elected." You want it that much? "Wow!" I explained. "Do I ever want to be president!"

Now, though, my handlers were saying it had it worked. Not even the macaroni and cheese. She had to go, "Where?" I asked. My handlers asked if I had ever seen a movie called "The Man in the Iron

"Wow!" I replied. "Do I ever want to be president!"

New York Times Service

For Carl Franklin, It Was One Right Move

By William Sauder

Washington Post Service S T. PAUL, Minnesota — The rain began to fall just as Carl Franklin's cast and crew assembled outside Willard's, a corner tavern in a quiet, mostly black neighborhood of St. Paul. They were there to shoot exteriors for "Shelton Avenue," a miniseries Franklin is directing for

HBO about a weekend in the life of a black family. A young man in a black sweat shirt sheared off at the shoulders walked over with his hand extended.

"Mr. Carter," he said. "I just want to shake your hand, "His name is Carl Franklin," someone said in a low

voice. But Franklin, who owns a distinctly unflappable personality, smiled pleasantly and shook hands. "I wanted to meet you, Mr. Carter," the man went on, "because how often do you get to meet a lamous television

director? I mean, this is an honor, Mr. Carter." "Oh. Well, I don't think it's really that big a deal," said

"You know I do some television work myself, Mr. Carter. Our problem is funding, you know what I'm saying? I mean, uh, like how are you doing on this one and all? Pretty good?"

This had begun to sound like a street approximation of a conversation that takes place in Hollywood a hundred times a day when, against odds of cosmic proportions, it developed that Franklin and the man in the sweat shirt knew somebody in common, someone who had recently been in a production of "Cyrano de Bergerac." The world is as strange as it is small.

It's also a freshly hospitable place for the work of Carl Franklin, who is finishing "Shelton Avenue" before re-turning to direct for the big screen.

Franklin agreed to do "Shelton Avenue" after his last film, a police thriller called "One False Move," appeared to have flopped coming out of the gate. The picture, which was made for a relatively paltry \$2.5 million, finished shooting in December 1990, failed to make it into Cannes in the spring while still in rough cut, and seemed destined for obscurity. But then a handful of influential critics lell in love with the picture, and it began a protracted, sporadic commercial release around the United States.

"It's just a phenomenal thing," says Franklin. "The film's success has been totally review-driven. We thought we were headed right to video."

Instead, the film is likely headed for a smattering of 10best lists. Meanwhile, the 43-year-old Franklin — a former actor on TV's "A-Team" — finds himself suddenly at the center of the emerging new wave of black filmmakers. But his passions, tempered by two decades of struggle as an actor and the responsibilities of raising a family — he has a son and a daughter, both in their teens - run in deeper, subtler channels than the raw spirits that have driven movies like "Boyz N the Hood" and "Do the Right

And while "One False Move" is Franklin's breakthrough film, it is also a straight genre picture - not a statement about race and struggle. It is a movie born more of Frank-lin's artistic sensibility than of his personal experience.

"I never saw 'One False Move' as an action film," he says. "I thought the piece was more jazz, you know what I mean? There's a lot of violence in the movie, but I wanted it real - I wanted the audience to feel the sense of loss that truly comes into the world every time somebody is killed



Director Carl Franklin: "I think I discovered in my very first piece that I could do it."

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in it. When somebody gets killed, some anonymous person on the other side of town or whatever, somebody who lived and had dreams and hopes and joys just like the rest

of us is gone. I wanted to get that into the film." Franklin grew up in Richmond, California, six miles (10 kilometers) from Oakland and several light years from San Francisco. "Richmond was in another world from San Francisco," he says. "You could see it looming off in the distance, but it didn't seem real." The streets of Richmond did. Franklin's father died before he was born. His stepfather worked as a carpenter; his mother was a housewife.

"Richmond has one of the highest per capita crime rates in California," says Franklin. "When you grow up in a place like Richmond, you rub shoulders with a lot of people who are criminals. But you don't see that. You see them as people. Franklin won a scholarship to the University of Califor-

nia at Berkeley in 1967. He took a course in dramatic arts to satisfy an English requirement and because "I had some pals on the football team who told me all the finest girls were in drama."

Encouraged by several Berkeley drama alumni cluding Stacy Keach - Franklin headed to New York after graduation and soon found himself working at the New York Shakespeare Festival, Lincoln Center and later, Washington's Arena Stage.

But as quickly as Franklin's acting career had taken off, it began to go in reverse when he worked in a string of television projects that progressively wore down his enthnsiasm for his craft. The first was "Caribe," with mentor Keach, a detective series set in the Caribbean that ran

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from 1974 to 1975. The last was a recurring role on "The A-Team." He quit the show in disgust after two seasons. "That was really, really the worst," says Franklin, "But

it turned me into a director. You're just a movable prop on a show like that. I was losing my desire to act. He was accepted as a directing student at the American Film Institute in Los Angeles in 1986. "I think I discovered in my very first piece that I could do it," says Franklin. "I suddenly felt very much at home."

While at AFI, he found work as a director of ultra-lowbudget action pictures at Roger Corman's Concorde Films, the B-movie training ground that has offered early work to many of America's most distinguished filmmakers. Franklin says he loved working for Corman and in the same breath categorically refuses to name any of the films he made for Concorde, except the last, a picture starring David Carradine called "Nowhere to Run."

"There's no way I'm going to admit to any of those films," says Frankin. "But I'll tell you the important thing about them, and that is that somebody was willing to give me \$300,000 to go out and bring back a movie."

"I know I wasn't ready to direct until my late 30s," says Franklin. "I think that I had finally filled up enough by then that I had something to pour back out."

Looking down the line of trailers and equipment trucks stening in the rain, the director opened his frail little beige umbrella and plunged into the storm.

"I gotta go talk to some actors," he said as he splashed off down the street, out of the warmth of Willard's and into what appears to be a very bright future. The name, remember, is Carl Franklin.

PEOPLE

A Temporary Farewell To Glyndebourne Picnics

With music, champagne and din-ner in a nearby tent, the smart set will say goodbye Friday to Glynde. bourne, the opera house near Lewes. England, where evening dress and picnic hampers are de rigueur. The concert will feature Spanish soprano Montserrat Caballé and U.S. mezzo-soprano Frederica von Stade. The 58-year-old theater is to be replaced by a new theater that will open May 28, 1994.

Holds

Glen Feur o

Peter Martins and his wife, Darci Kistler, strolled arm-in-arm out of a Saratoga Springs, New York courthouse after she dropped as sault charges against him. Martins, 45, head of the New York City Ballet, and Kistler, 28, one of the company's principal dancers, said reports of their dispute "seem very. disproportionate to what actually occurred." Kistler had said Martins assaulted her during an argument.

Martin Edelston, president of Boardroom Inc., a New York publisher of consumer and business newsletters and books, is donating a collection of contemporary American photographs, for which he paid a total of \$500,000, to the Art Institute of Chicago. The works include photographs by Barbara Kruger, Cindy Sherman, Ansel Adams, Diane Arbus, David Hockney, Robert Mapplethorpe, Robert Rauschenberg and Andy Warkol.

The Duchess of York joined her husband, Prince Andrew, on Wednesday evening, the eve of their sixth wedding anniversary, for a reception at Hampton Court Palace. It was their first appearance together at a major public occasion since they announced they were separating foor months ago. At Buckingham Palace, Queen Elizabeth II presented actor Michael Caine, 59, with the badge of Commander of the British Empire for his service to the entertainment industry.

ton, Jamaica, to celebrate the 100th birthday of Emperor Haile Selassie I of Ethiopia, whom they consider, their god. The weeklong festivines began Thursday with a reggae con-cert featuring Freddy McGregor, Third World, Ziggy Marley and The Melody Makers.

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